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Coordination between United Nations agencies involved in peace-building

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Joint Inspection Unit entitled "Coordination at Headquarters and field level between United Nations agencies involved in peace-building: an assessment of possibilities" (JIU/REP/97/4).

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ANNEX

JIU/REP/97/4

COORDINATION AT HEADQUARTERS AND FIELD LEVEL BETWEEN UNITED NATIONS AGENCIES INVOLVED IN PEACE-BUILDING: AN ASSESSMENT OF POSSIBILITIES

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ACRONYMS

ACC	Administrative Committee on Coordination
CCPOQ	Consultative Committee on Programme and Operational Questions
DHA	Department of Humanitarian Affairs
DPA	Department of Political Affairs
DPKO	Department of Peacekeeping Operations
ECOSOC	Economic and Social Council
IASC	Inter-Agency Standing Committee
ILO	International Labour Organization
IMF	International Monetary Fund
JIU	Joint Inspection Unit
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WFP	World Food Programme

EXECUTIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The United Nations system continues to risk failing to ensure that increasingly limited resources available for post-conflict reconstruction are used effectively, and ultimately expending even greater resources in humanitarian assistance, as well as future peacekeeping operations if conflicts recur. Without a more serious effort to coordinate peace-building activities between United Nations system organizations and Bretton Woods institutions, Member States continue to marginalize the initial financial investment made during the peacekeeping phase. The United Nations system also fails to capitalize upon the current emphasis on reforming its structure in order to facilitate greater efficiencies in achieving its goals, as well as strengthening the common system. While United Nations system organizations articulate support for improved coordination, the Inspectors found that, in practice, there are no effective coordination mechanisms for post-conflict peace-building at the policy, headquarters and system-wide levels. In addition, there are several barriers to achieving this coordination, including organizations viewing their independence as a higher priority than coordination with another organization. Further, these organizations lack a generally accepted understanding of coordination, as well as well-defined working relationships vis-à-vis each other. Although the concept of post-conflict reconstruction is as old as human conflict, the role of the international community has increased due to an increased sense of solidarity in dealing with these situations. To effectively perform its role in post-conflict peace-building, the United Nations must evolve from a fragmented configuration of competing organizations to an integrated, coordinated system of organizations focused on achieving specific goals.

BACKGROUND

The concept of post-conflict peace-building was consolidated in response to the 1992 Security Council Summit, which asked for "an analysis and recommendations on ways of strengthening and making more efficient within the framework and provisions of the Charter the capacity of the United Nations for preventive diplomacy, for peacemaking and for peacekeeping."[1] In response, "An Agenda for Peace"[2] was issued, which outlined a number of tools available for achieving peace and security, including the concept of post-conflict peace-building. Post-conflict peace-building was defined as the "action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict". The concept has received wide recognition, yet in practice, it is a new and evolving concept. Efforts to implement the concept, while surrounded by acknowledged difficulties associated with implementation, call for more integrated and coordinated action; emphasize post-conflict peace-building as a critical element in preventing the recurrence of the conflict; and provide a basis for healing the wounds inflicted during the period of conflict.

Concerned with the increasing number of multilateral and bilateral players involved in peace-building activities, the United Nations Educational, Scientific and Cultural Organization (UNESCO) asked the Joint Inspection Unit (JIU) to conduct a review of the coordination of peace-building activities. In its request, UNESCO noted, "peace-building is becoming one of the more visible components of United Nations agencies programmes". Thus we find in many agencies a multitude of activities that fall within the framework of the "Agenda for Peace." UNESCO's interest in this issue stems from its long-standing commitment and role in promoting peace and most recently, its approach known as "A Culture of Peace". (In its resolution 51/101 of 12 December 1996, the General Assembly

called for a draft declaration and preparation of a programme of action on a culture of peace). The JIU incorporated this review into its work programme because it shared UNESCO's concerns and observed a sharp increase in the number of inter- and intra-State conflicts beginning in the 1980s, resulting in an increasing demand for system resources and involvement in post-conflict peace-building activities. The present report builds on prior work conducted by the Unit on peacekeeping and peace-building.[3]

This report focuses on issues related only to coordination among United Nations system organizations involved in post-conflict peace-building, yet the Inspectors recognize the preeminent and prominent role in all matters related to reconstruction played by the country emerging from the conflict, as well as all Member States. Therefore, the report did not specifically review the role of the country in coordination and does not make recommendations on this matter, although the Inspectors note that some United Nations system organizations play a special role in supporting the development of a country's coordination capacity. Furthermore, since the coordination of peace-building activities is part of a broader set of general coordination issues of United Nations activities, at times it is necessary for the Inspectors to discuss general coordination issues, which they recognize are beyond the scope of UNESCO's request.

CONCLUSIONS AND RECOMMENDATIONS

On the basis of their interviews and analysis, the Inspectors would like to present their conclusions and recommendations. In their view, the establishment of effective coordination mechanisms, in general, must be viewed as a primary feature of United Nations reform efforts. Specifically, United Nations system organizations involved in post-conflict peace-building must be committed to improving coordination mechanisms as part of an ongoing process to improve the functioning of the system. Effective coordination practices should be permanently embedded in United Nations system structures and processes, and should be accomplished through existing organizations or bodies.

Conclusion 1: Each post-conflict situation will involve a different set of conditions and circumstances, typically related to weakened civil institutions and the lack of a culture of stability and reconciliation. In some cases, there will be no effective Government with which to coordinate. The degree of destruction of institutions and sectors and the political-military situation will vary widely. Given this high degree of variability, conditions and circumstances in a country undergoing reconstruction will change over time, and any framework for coordination must be sufficiently flexible to accommodate such changes.

Recommendation 1:

The coordination framework for post-conflict peace-building must be, *inter alia*, overarching and coherent, yet sufficiently flexible to adjust to the unique aspects of each peace-building situation — the preferred method of coordination will therefore be "ad hoc" based on certain generally agreed upon principles.

Conclusion 2: The agreement ending the conflict provides a good platform for articulating the coordination framework to be used during recovery. Peace-building activities must be reinforced by a series of measures and actions to consolidate peace. Addressing the means for coordination is critical at this point because the manner in which these activities are incorporated into the agreement will be critical to the success of achieving coordination during implementation.

Recommendation 2:

In order to facilitate all actors working together on one strategic plan for recovery, a framework for coordination must be established during the initial reconstruction planning phases. Member States, as represented in the components of the United Nations system, may consider the agreement ending the conflict as a suitable platform for outlining and reinforcing a series of measures and actions to consolidate peace, establish linkage between peacekeeping and peace-building operations, and outline the framework for coordination.

Conclusion 3: The Inspectors identified several barriers to achieving effective coordination of post-conflict peace-building activities that provide some evidence that United Nations system organizations do not realize the benefits and efficacy of a common system. Specifically, the Inspectors found some organizations involved in post-conflict peace-building view their independence as a higher priority than coordination with other organizations. In the view of the Inspectors, such coordination requires a certain degree of subordination to the leadership of another organization. Further, they do not share a generally accepted understanding of coordination and lack well-defined working relationships vis-à-vis each other. Accordingly, the Inspectors conclude there is an urgent need for accepting a set of provisions which would articulate several important aspects of post-conflict peace-building coordination.

Recommendation 3:

The Administrative Committee on Coordination should prepare a declaration on the coordination of peace-building activities for acceptance by the General Assembly and legislative bodies of specialized agencies which should recognize the need for United Nations system organizations to maintain their independence, yet articulate the primacy of the United Nations leadership and reinforce the need for coordination to ensure the maximum utilization of resources and the achievement of objectives. Such a declaration should also

- **Come to an agreement on a generally acceptable understanding of coordination;**
- **Establish clear mandates and guidelines for United Nations system organizations involvement in post-conflict peace-building activities;**

- **Identify organizations, both at the headquarters and field levels, which will assume leadership for coordinating policy issues in post-conflict peace-building activities;**

- **Establish more formal and consistent coordination between United Nations system organizations and Bretton Woods institutions;**

- **Strengthen existing coordinating bodies, such as the ACC, its subsidiary bodies, and the Inter-Agency Standing Committee (IASC); and**

- **Build and expand on coordination efforts under way among thematic lines.**

Conclusion 4: Peacekeeping activities have become increasingly multi-functional, including such activities as disarmament of former combatants, election monitoring and infrastructure building. Consequently, the line between peacekeeping and peace-building activities has become blurred. While the two phases are related, the objectives and operational components of peacekeeping and peace-building activities differ significantly. Peacekeeping was originally designed to maintain the peace and involves only United Nations resources, personnel and financing. Peace-building, on the other hand, is designed to build upon the maintenance of peace and involves a wide range of bilateral and multilateral actors, activities, objectives and financing mechanisms. In current practice, peace-keepers no longer solely perform peacekeeping activities, but have become increasingly involved in peace-building. As a result, peacekeeping has moved beyond its original role of creating a "buffer" between the parties involved in the conflict and establishing stability so the reconstruction of the country and its economy can take place in an orderly fashion. In the Inspectors' opinion, peacekeeping and peace-building activities should not be commingled, but maintained as separate, distinct operations. Yet, in their view, there should be clear linkage and a smooth transition between two phases to ensure that the investment made during the peacekeeping phase is retained.

Recommendation 4:

As one element of enhancing coordination, Member States may wish to consider the possibility of carrying out peace-building activities as a separate and distinct operation — "a peace-building operation" — albeit closely linked as a follow-on to the peacekeeping phase.

Conclusion 5: The Inspectors found effective coordination at the field level, under the leadership of either the United Nations Resident Coordinator or Secretary General's Special Representative. However, the Inspectors found no evidence of effective coordination at the policy and headquarters levels of United Nations system organizations. At the United Nations system level, the IASC plays an important role in facilitating the consultative process between organizations involved in relief operations; however, its role and resources are constrained with regard to expanding this role to the continuum of post-conflict peace-building activities. In the considered view of the Inspectors, coordination at all three levels — policy, headquarters and system-wide — is essential, as it is here that strategic policy and resource decisions are made. A recent proposal by the Secretary-General to

establish the Department of Political Affairs as the lead United Nations department for peace-building creates a focal point for coordination at the United Nations headquarters levels, which had been previously lacking. Without effective coordination at the policy, headquarters and United Nations system levels, there is limited or no assurance that activities, responsibilities and resources will be effectively coordinated at the appropriate levels, leaving undue burden on the field level organizations to coordinate. In particular, the Inspectors see the need for more integrated support at the headquarters level for country-level operations. Further, the Economic and Social Council (ECOSOC), a principal organ of the United Nations, is not sufficiently involved in the coordination of peace-building activities, as recently noted by the Secretary-General in his speech before ECOSOC. The Inspectors welcome his proposals to enhance the Council's role in policy coordination and improving the coherence of the Council's machinery.

Recommendation 5:

Policy level

As peace-building is essentially a component of development activities, the coordination role of the ECOSOC in development policies and activities should be enhanced in accordance with Chapter X of the Charter of the United Nations.

Headquarters level

(a) Coordination issues related specifically to peace-building activities should be a regular agenda item to be discussed during the Secretary-General's "cabinet" meetings between United Nations departments.

(b) The secretariats of other United Nations system organizations should also follow the example set by the Secretary-General and establish a lead department for the coordination of policy and strategic decisions among system organizations involved in peace-building.

United Nations system level

(a) To more effectively coordinate United Nations system organizations involved in peace-building, ACC's role should be expanded to include an ongoing coordinator role for post-conflict peace-building activities of the United Nations system. This should be accomplished within existing coordination mechanisms.

(b) The IASC should be strengthened in order for it to play a greater role in the coordination and integration of post-conflict peace-building activities among United Nations system organizations.

Conclusion 6: The Bretton Woods institutions, in particular the World Bank and International Monetary Fund, already play a significant role in financing and providing technical assistance to

countries undergoing post-conflict reconstruction. Ccordination between the United Nations system and these financial institutions is not sufficient and continues to be an issue of concern. Consequently, there have been instances where these financial institutions developed their reconstruction strategies without consulting or including United Nations system organizations. Formal mechanisms, such as the exchange of letters, should be used to outline general concurrence among Bretton Woods institutions and the United Nations system regarding coordination, with the next step being to develop more specific, detailed operations-oriented procedures. (Such an exchange of letters between the Secretary-General and the Director of the World Bank took place in 1995, outlining the coordination arrangement for Angola.) In his speech before the High-Level Segment of the 1997 Substantive Session of the ECOSOC, the Secretary-General recognized efforts by the ECOSOC to promote closer interaction between United Nations system organizations and Bretton Woods institutions.[4]

Recommendation 6:

Given the increasing role played by Bretton Woods institutions in post-conflict peace-building activities, United Nations system organizations should formally establish coordination linkages, between themselves and these financial institutions to ensure both participation in the planning phases of post-conflict recovery and a sustainable, coordinated relationship throughout reconstruction. These linkages should be developed without the creation of new structures.

INTRODUCTION

1. The Joint Inspection Unit (JIU), at the request of one of its participating organizations, United Nations Educational, Scientific and Cultural Organization (UNESCO), included in its work programme a report entitled, "Coordination at headquarters and field level, within the framework of 'An Agenda for Peace', between the United Nations agencies in peace-building: An assessment of the possibilities." In its request letter, UNESCO defined the scope of the review to cover both the general overview of actions in situations where conflict is imminent and also in post-conflict areas. To avoid duplication of other JIU work, this review focussed only on post-conflict peace-building activities. Previously, the JIU presented a report which dealt specifically with situations where conflict is imminent.[5]

2. The Inspectors met with representatives of the United Nations Secretariat in New York, Geneva and Vienna, including the Under-Secretaries-General from the Executive Office of the Secretary-General, as well as from the Departments of Peacekeeping Operations; Humanitarian Affairs; and Economic and Social Information and Policy Analysis; and the Assistant Secretary-General, Department of Political Affairs, who gave both the views of the Department and his experience in peace-building in El Salvador and Guatemala. The Inspectors also met with representatives of UNESCO and a number of United Nations system agencies and representatives from a number of delegations, in particular those who are active in the working group on peace-building activities. In the interest of sharing information and ideas, the Inspectors also met with former United Nations Special Representatives to Angola and Burundi. Taking into account the important role of the Bretton Woods institutions, the Inspectors met with officials from the World Bank and International Monetary Fund.

3. The basic objectives of the JIU report were to identify existing coordination bodies and mechanisms, obtain views on the effectiveness of these bodies and mechanisms in actual post-conflict peace-building situations, and make recommendations for strengthening post-conflict peace-building coordination without creating new structures or bodies. The Inspectors met with a wide range of actors to explore what is meant by coordination and to determine if there was a common view of this frequently cited term.

4. Since 1988, the Security Council has issued an increasing number of mandates related to peace and security, as well as expanding the types of activities stipulated in these mandates. As a result, these mandates are no longer strictly military in nature, but now include multifaceted involvement in reconstruction. Between 1988 and 1994, the number of resolutions related to peace and security passed by the Security Council increased from 15 to 78, an increase of 420 per cent. During the same period, the number of peacekeeping operations increased from 5 to 17 and the number of troops deployed from approximately 9,600 to 73,400. In 1996, while the number of peacekeeping operations remained constant, the number of troops decreased to approximately 24,700. As the Secretary-General recently noted, this may appear to be a decrease in peacekeeping activities, but in reality, peacekeeping has increased and is more diversified. There are 50,000 troops under NATO operating with IFOR in Bosnia, as well as troops in some of the former Soviet republics and Liberia. The complexity of tasks entrusted to United Nations personnel did not diminish and troops engaged in activities related to diplomacy, peacemaking and peacekeeping. As a result, the tasks entrusted to the United Nations in post-conflict peace-building will also continue to increase.

5. In discussing the concept of post-conflict peace-building, we may recall Article 55 of the United Nations Charter, which says:

> "With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:
>
> (a) Higher standards of living, full employment, and conditions of economic and social progress and development;
>
> (b) Solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and
>
> (c) Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

6. In order for peace-building to be successful, there must be a comprehensive effort to bring all organizations together in a cohesive manner. According to the "Agenda for Peace", coordination is required at three levels: (1) within the United Nations Secretariat; (2) between United Nations Headquarters and the head of offices of other funds, programmes, offices and agencies of the United Nations system; and (3) in the field. The multifaceted nature of both peacekeeping and peace-building has made it necessary to improve coordination within the Secretariat, so that the relevant departments function as an integrated whole under the control of the Secretary-General's authority and control. While proposals are made to the General Assembly or the Security Council on peace and security issues, these need to be based on coordinated inputs from the Departments of Political Affairs, Peacekeeping Operations, Humanitarian Affairs and Administration and Management and others involved in post-conflict peace-building activities.

7. The United Nations Task Force on Post-Conflict Peace-building[6] notes that the concept of post-conflict peace-building should be incorporated into the development strategy of a country as soon as possible. However, in the initial post-conflict phase, the situation is both fragile and transitory, therefore all activities must be approached carefully. Accordingly, while peace-building activities are in many ways development activities, in peace-building strategies deviate from what is viewed as traditional development practice. Specifically,

(a) The selection and establishment of priorities will involve political considerations and addressing problems, which, if left unresolved, can lead to a breach of the peace.

(b) Preferential treatment should be given to former combatants and others directly involved in creating the conflict, to discourage them from resorting to rearming themselves. This will result in a distinction between combatants and other beneficiaries with the same socio-economic needs, a practice typically not acceptable in traditional development.

(c) Reasonable expectations should be set with regard to the allocation of resources. Design and implement activities in such a manner as to minimize distortion and correct inequities through training, technical assistance and credit to ensure long-term sustainability.

8. The Inspectors noted that the nature of post-conflict peace-building is inherently political, a point also noted during the International Colloquium on Post-Conflict Reconstruction Strategies.[7] In designing a framework for the reconstruction for society emerging from war or acute turmoil, it must be recognized that the needs of this society are qualitatively different from that of a stable society. Specifically, it was reported:

> "... this requires a reordering of normal priorities, as well as the incorporation of new ones. Designing a framework for such assistance is in essence a political task, albeit using a variety of tools and a wide array of expertise from all parts of the United Nations system as well as from governments and NGOs. The political nature of this task is determined by the overriding goal, during the fragile post-war and post-chaos stage, of avoiding the recurrence of war or chaos. In almost all post-conflict peace-building this will mean a significant departure from the priorities and allocation of resources that apply in development in non-peace-related situations."[8]

9. **While this report focuses on post-conflict peace-building, the Inspectors wish to acknowledge the concept of preventive diplomacy, particularly in an environment of decreasing resources. The JIU expressed this view previously,[9] pointing out that the United Nations system potential in this area has not been realized and the Inspectors made recommendations in order to establish a comprehensive conflict prevention strategy.**

10. The Inspectors wish to thank all who offered their time and ideas. The Inspectors regret that not every view can be incorporated into this report given the limitations of space.

II. CURRENT STATE OF COORDINATION IN POST-CONFLICT PEACE-BUILDING

11. No United Nations document defines the elements of post-conflict peace-building coordination, which could form the basis for a generally accepted understanding of coordination among those involved in post-conflict peace-building. While some documents make general reference to this concept, they do not articulate the specific elements of coordination in practical and meaningful terms. This is in contrast to "Agenda for Development", which includes the following definition of "coordination":

> "Coordination means a clear allocation of responsibilities, and effective division of labour among the many actors involved in development, and a commitment by each of those actors to work towards common and compatible goals and objectives. Individual development actors must strive to make their efforts complementary and contributory, rather than isolated or competing. Coordination, so viewed, must guide the actions of each of these actors and the interactions among them."[10]

Even a dictionary definition of coordination states: "to bring into a common action, movement, or condition, or to harmonize,"[11] while by no means a comprehensive definition, at its most elementary level indicates a commitment towards some commonality of action.

12. In the opinion of the Inspectors, the definition of coordination used in the "Agenda for Development" provides a good model for constructing a similar operating definition for the coordination of post-conflict peace-building activities. Such an operational definition would include similar elements, namely the allocation of responsibilities, a division of labour among key actors, a commitment to common goals and objectives, and complementary and contributory efforts among actors. This definition of coordination inherently requires a certain degree of subordination of one organization to the leadership of another.

13. In the preparation of the report, the Inspectors found no common operating definition of coordination. Many officials noted that at a minimum, coordination should include transparency of operations and the sharing of information to facilitate the delivery of services and implementation of programmes by the numerous agencies involved in specific components of peace-building. This is encouraging, yet certainly insufficient. They were also concerned that there was no agreement as to what level of information was necessary to share. What was clear was that many officials did not think coordination could realistically include an articulation of the division of labour among organizations or involve decisions regarding the allocation of resources.

14. The Inspectors conclude that because organizations involved in peace-building view their independence as a higher priority than coordination with another organization, they were unable to envisage subordinating their agendas or activities to the leadership of another. Many questioned what organization or position in the system would have the appropriate mandate and authority to provide such coordination. As for the United Nations system organizations, many noted that each responds to the concerns and issues advanced by individual legislative bodies, and this resulted in a form of independence that precluded subordinating to the leadership of another organization. On the other hand, officials from Bretton Woods institutions were more supportive of the division of labour and

allocation of resources concepts, largely because these concepts were successfully being advanced through their reconstruction planning processes in some countries, in particular, Bosnia.

15. The ECOSOC is the principal organ for coordinating the economic and social work of the United Nations system. It serves as a central forum for the discussion of international economic and social issues of a global or inter-disciplinary nature and the formulation of policy on these issues. Many suggested increasing ECOSOC's authority over United Nations system programme resources, estimated at $5 billion, to include the coordination of post-conflict peace-building. As one of the principal organs of the United Nations system and originally envisaged as playing a significant role in coordinating United Nations resources related to economics, development and social programmes, this recommendation would further enhance ECOSOC's coordination role in providing much needed coordination at the policy level.

16. The United Nations Charter, Chapter X, outlines *inter alia*, the functions and powers of the ECOSOC. Specifically with regard to its role in coordination, Article 63 states the ECOSOC may "coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations." Furthermore, according to the Charter, it provides a critical link between the non-governmental organizations and national organizations. Specifically, Article 71 says the ECOSOC may "... make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence. Such arrangements may be made with international organizations and, where appropriate, with national organizations after consultation with the Member of the United Nations concerned."

17. Recently, the Nordic United Nations Reform Project 1996,[12] issued a set of proposals geared towards strengthening the United Nations in order to fulfil its economic and social mandate, which specifically proposed enhancing ECOSOC's role in coordination and providing policy guidance to the United Nations system, including specialized agencies and the Regional Commissions.

Coordination at the Secretariat level

18. During the course of their review, the Inspectors were told that without adequate, serious efforts to coordinate at the Secretariat level, the United Nations lacked (1) transparency in decisions and the effective exchange of information; (2) harmonization and interaction between operational units within the Secretariat; and (3) a standing interdepartmental framework for coordination and oversight. It was even suggested that without a consolidation of departments at the Secretariat level, it would be difficult to imagine how any meaningful coordination could be achieved, given the manner in which organizations coveted their independence.

19. As part of the Secretary-General's reforms, he proposed establishing the Department of Political Affairs as the lead United Nations department for peace-building, creating a focal point for coordination at the United Nations headquarters levels, which has been previously lacking. The Department will rely upon the Executive Committee on Peace and Security to support peace-building initiatives. During the course of their review, the Inspectors identified the Department of Political Affairs

as a good candidate for centralized coordination of United Nations Secretariat peace-building activities, given the inherently political nature of peace-building.

20. The Inspectors did not attempt to quantify the implications resulting from the absence of effective coordination, but they were frequently told, in general, it results in delays in action and duplication of effort.

21. The ACC has a mandate for system-wide coordination of policy issues, and could be a logical candidate for managing coordination of post-conflict peace-building, in addition to its responsibilities for development. In the "Supplement to an Agenda for Peace", the Secretary-General stressed the role of the ACC in enhancing inter-agency coherence, bearing in mind the important role of economic and social development in post-conflict situations. However, the Committee was not viewed by many as an effective mechanism for coordination because it lacks the necessary political support and visibility. Yet, in January 1997, the Secretary-General, in his letter to members of the ACC, said, "The ACC is an important symbol of the unity of the system. It should however be more than a symbol. It should be a policy- and action-oriented instrument geared to launching and monitoring concrete joint initiatives to accomplish common policy objectives."

22. Among existing coordinating bodies, the Inspectors found no effective mechanisms for coordination at the Secretariat level among United Nations system organizations. Specifically, each organization conducts its own planning, responds to its legislative body, and implements programmes in line with the agenda established by the legislative body. Planning efforts are not conducted on any system-wide basis, so therefore even when information is shared it is often after key objectives have been established. The sharing of information among system-wide organizations tends to be fairly cursory.

23. Based on numerous discussions, the Inspectors found many officials who said the ACC and ECOSOC should assume a greater role in coordinating post-conflict peace-building activities within the United Nations system. However, the Inspectors found no evidence of either body playing an active role in the coordination of post-conflict peace-building activities.

24. The Inspectors observed that the most effective coordination among United Nations system agencies currently appears to be along thematic lines. In fact, the Inspectors identified a number of cases where organizations articulated the details of coordination by means of written agreements. It should be noted that the concept of written agreements to clarify relationships between agencies was established as far back as 1961, with the issuance of ST/SG/14.[13] Specifically the Inspectors identified memoranda of agreement between WFP and UNHCR, UNICEF and UNHCR, and the High Commissioner for Human Rights and UNESCO. Officials from these agencies told the Inspectors that the purpose of these agreements is to recognize and honour the respective mandates and responsibilities of each organization, yet articulate parameters that build on the comparative advantages of each organization and clarify the division of responsibilities of each organization. The goal, of course, is to maximize resource utilization and increase the speed of resource mobilization.

25. In January 1994, WFP and UNHCR jointly issued the "Memorandum of Understanding on the Joint Working Arrangements for Refugee, Returnee, and Internally Displaced Persons Feeding

Operations." It specifically states the goal of this memorandum of understanding is to "seek further improvements that would lead to a more cost-effective and efficient working partnership between WFP and UNHCR." The Memorandum clarifies the division of responsibilities between both agencies in providing emergency food relief.

26. In October 1995, the High Commissioner for Human Rights and UNESCO signed a Memorandum of Cooperation that provided the framework for further developing and strengthening cooperation in assisting the High Commissioner in a preliminary survey and evaluation of existing human rights education programmes and initiatives. In its resolution 51/101 of 12 December 1996, the General Assembly welcomed with satisfaction this Memorandum of Cooperation.[14]

27. In March 1996, UNHCR and UNICEF signed a Memorandum of Understanding, aimed at "encouraging and facilitating systematic, predictable and cooperation action between the two organizations ... and seeks to build on the recognized comparative advantages of each organization and to establish operational modalities of cooperation." This Memorandum maps out the division of responsibilities between the agencies with regard to the various population groups (i.e., refugees, returnees, internally displaced persons and affected local host populations) and the types of cooperative activities. The Memorandum also includes an important clause with regard to resource issues, for example

> "Each organization is responsible for mobilizing the resources necessary to discharge the responsibilities set out herein. Should insufficient resources be available for immediate action, the other organization shall be consulted. For certain special operations, a decision may be taken to issue a Joint Appeal. Both organizations will participate in DHA-coordinated inter-agency appeal processes."

28. While at present not operational in a memorandum of understanding or cooperation, under its responsibilities for educational activities within the framework of post-conflict peace-building, UNESCO has expressed its willingness to coordinate a global training effort promoting human development skills of dialogue, negotiation and consensus in post-conflict situations. In 1996, in order to advance the concept of a culture of peace, and the common system of values and behavioural patterns indispensable for constructing peace, UNESCO published the third volume in the Peace and Conflict Issues series.[15] This publication brings together contributions from peace researchers, philosophers, jurists and educators, and deals with the culture of peace and its multiple facets. A fourth volume in the series addresses methods and approaches to conflict resolution.

29. The Inspectors explored another existing forum for coordination, the IASC. Established by General Assembly resolution 46/182 and reinforced by ECOSOC at the July 1993 session and by the General Assembly in resolution 48/57, IASC was established as a primary mechanism for coordinating policy issues relating to humanitarian assistance and for formulating coherent and timely responses to disasters and complex emergencies. The IASC functions as a clearing house for issues, which provides an information exchange mechanism and forum for sharing the different views of organizations. Overall, the IASC deals with three broad categories of issues: (1) strategic and policy

issues relating to specific emergencies; (2) global thematic issues; and (3) operational, administration, and implementation issues. According to resolution 48/57, the IASC will meet at least three to four times a year.

30. While the Inspectors recognize that currently, the jurisdiction of the IASC is largely limited to relief and emergency situations, they are interested in the mandate of the entity and the coordinating role it plays. They were also impressed that the IASC provides a forum for facilitating the consultative process between organizations involved in the relief response structure and involves officials who have the authority to represent their respective organizations to review, endorse and make key recommendations on behalf of their organizations on pertinent matters. In the opinion of the Inspectors, the IASC mechanism merits further exploration and may provide a model for similar efforts in post-conflict peace-building. In April 1997, the ACC affirmed the role of the IASC as the primary mechanism to address large-scale humanitarian crises. The ACC also recognized the need for coherent policy and operational guidance for system organizations involved in peace-building and called on the IASC and other coordinating arrangements to further integrate in order to provide such guidance.

31. During the course of their review, the Inspectors found some consensus regarding the coordination of post-conflict peace-building activities at the field level. Most believed that coordination, as defined by the sharing of information, at the field level under the United Nations Resident Coordinator system, worked well. Specifically, they reported that information was frequently shared among United Nations system agencies in the field and there was an attempt to resolve situations where conflict or duplication was occurring.

32. The Inspectors found a majority of officials who noted that the same mechanisms established to coordinate activities during a crisis — Secretary-General's Special Representative, Special Envoy, and Humanitarian Coordinator — have the potential for being used to coordinate peace-building activities in the field. There were, however, concerns raised over increasing the power or control of the Secretary-General's Special Representative. In contrast, some questioned whether United Nations Resident Coordinator should be the coordinator of peace-building activities, in spite of its current role coordinating development and humanitarian activities.

III. CURRENT CONCEPTS IN UNITED NATIONS POST-CONFLICT PEACE-BUILDING

33. The measures involved in post-conflict peace-building include demilitarization, control of small arms, institutional reform, democratization, improved police and judicial systems, monitoring of human rights, electoral reform, civilian police, as well as social, economic and humanitarian assistance. Due to the multifaceted nature of post-conflict peace-building, a large number of multilateral actors, both inside and outside of the United Nations system, are typically involved. Given this multiplicity, the need for coordination becomes more acute.

34. Peace-building activities generally fall within the mandates of the various programmes, funds, offices and organizations of the United Nations system with responsibilities in the economic, social, humanitarian and human rights fields. Therefore, while integration and coordination of activities is given much lip service, in practice, each organization tends to protect its own interest or maintain its own perspective. As a result, coordination often operates in a vacuum.

35. In December 1995, the United Nations Task Force on Post-Conflict Peace-building produced a preliminary "Inventory of Post-Conflict Peace-Building Activities."[16] The Task Force was interested in identifying those tools at the disposal of the United Nations system, both those that have actually been carried out in post-conflict operations, as well as other activities that would be desirable, but have not been included in peace-building activities.

36. In early 1996, the Inter-Agency Working Group on the Role of the United Nations System in Post-Conflict Situations prepared a report, which effectively catalogues the wide range of activities that comprise post-conflict peace-building.[17] The report clearly portrays the great potential for overlap between the agencies of the United Nations system and why the need for structured coordination is necessary to avoid duplication, overlap and even working at cross-purposes.

37. The Informal Open-ended Working Group on An Agenda for Peace, with active participation from delegations of China, Cuba, Egypt, the European Union, India, the Islamic Republic of Iran and Pakistan, has also been studying coordination issues. The subgroup working on coordination issues underlined the need to strengthen the role of the General Assembly in improving coordination, in accordance with its role and responsibilities under the Charter. It advocates the need for the various substantive departments of the Secretariat to coordinate their activities through information sharing, consultations and joint action. It also calls for both short-term and long-term programmes, within the United Nations system, to be coordinated in order to consolidate peace and development. Specifically it states, "Coordination is therefore required within the United Nations system as a whole, and between the United Nations Headquarters and the head offices of United Nations funds, programmes, offices and agencies." The subgroup also encouraged improved coordination with other actors involved in the transition from peacekeeping to peace-building, including the Bretton Woods institutions.

38. There are typically two situations in which peace-building activities are most likely to occur. The first situation is when a comprehensive settlement has been negotiated and long-term political, economic, and social provisions to address the root causes of the conflict, and verification of its implementation is entrusted to a multi-functional peacekeeping operation. In this situation, the United Nations has an entree and the parties have accepted the United Nations peace making and

peacekeeping role. The peacekeepers may already be involved in preliminary peace-building activities, including, possibly, the reintegration of former combatants into productive civilian activities. For example, in El Salvador, former combatants were given land in exchange for their arms and UNESCO's Culture of Peace actions give special emphasis to the education of former combatants because many of them missed out on formal education as a result of being forced into military service. The timing and modalities of the departure of the peacekeeping operation and the transfer of peace-building functions to others must be managed in conjunction with the established Government. The United Nations, of course, can express its views to maximize the investment made during the peacekeeping exercise.

39. The second situation is when peace-building, whether preventive or post-conflict, is undertaken in relation to a potential or past conflict without any peacekeeping operations being deployed. By definition, this is a more difficult situation because the United Nations does not have a mandate and its role in identifying requirements and proposing activities is unclear. If the measures are largely in the economic, social and humanitarian fields, then the resident coordinator can make such proposals. However, the resident coordinator is precluded from being involved with such activities as security, civilian police or human rights activities.

40. Post-conflict peace-building activities are often discussed in terms of their relationship to the continuum of activities and phases related to peace and security. Post-conflict peace-building is usually the first phase after the "termination" of the peacekeeping phase. However, the notion of a discrete "termination" point is too simplistic. In fact, many officials told the Inspectors that in their experience, such a transition period is typically poorly defined.

41. The Inspectors conclude that in order for post-conflict peace-building to be effective, it must build on investments made during the peacekeeping period. In fact, the Inspectors were told that often during the peacekeeping period, there has been success with some activities that typically would have been done during the peace-building phase. In fact, recently a former Secretary-General's Special Representative for Rwanda has urged that consideration be given to utilizing peacekeepers for reconstruction activities, even if on a limited basis. He believes that this generates goodwill between the United Nations and the local community and allows the peace-keepers to be responsive to the needs of a devastated country.[18] However, while this provides some evidence for the natural linkage with post-conflict peace-building and peacekeeping, peace-building operations should be separate and distinct albeit with a bridge between the two phases to ensure a smooth transition.

42. Many officials involved in peace-building advocated using the agreement that ends the conflict as the platform for articulating peace-building objectives and integrating coordination mechanisms into these objectives. While this point goes beyond the original scope of the report, in the opinion of the Inspectors, it is noteworthy and conceptually critical to the theme of this report.

43. This concept of using the agreement that settles the conflict as a platform for identifying the coordination mechanisms has received increasing support from experts in the field of peace-building. In late 1996, at a seminar hosted by the United States Institute of Peace, experts presented their research, which concluded that the international community's more successful peace operations have occurred in cases such as Cambodia, El Salvador and Namibia where "provisions for a peace process

and a political settlement were detailed, extensive and most importantly, agreed to by all the parties to the conflict, as well as the major regional and global powers." Specifically, it was noted by one expert that "multilateral interventions have a much greater chance of succeeding when they are linked to a genuine political settlement and an ongoing sustained political process for obtaining it."[19]

44. In the Inspectors' view, the basic agreement settling a conflict should be managed in order to build a good foundation for post-conflict peace-building. Peace-building activities must be reinforced by a series of measures and actions to consolidate peace. The coordination of activities becomes very important at this point because the manner in which these activities are incorporated into the agreement will be critical to implementation. In practice, these remain no more than concepts and the Inspectors found no evidence of this in practice.

45. Having said this, the agreement settling the conflict should include the following elements in order to support the concept of sustainable peace-building efforts. At a minimum, the agreement should include five major elements:

(a) Identifying the issues to be addressed, objectives to be achieved, and possibly the timetables for achieving the objectives;

(b) Identifying the types of skills required and the specific entities that can provide these skills;

(c) Identifying the specific United Nations system organizations to be involved and the activities each will be responsible for implementing, based on the over-arching objectives as a framework;

(d) Articulating the division of labour among the various organizations, with the expressed goal of avoiding duplication and overlap of effort, and determining who has overall leadership responsibility, both at the headquarters and field levels;

(e) Establishing a link between peacekeeping and peace-building "phases" and providing the description of a mechanism that ensures continuity, thus preserving and building upon the investment made during the peacekeeping phase.

IV. THE ROLE OF BRETTON WOODS INSTITUTIONS IN POST-CONFLICT PEACE-BUILDING

46. Both the International Bank for Reconstruction and Development (World Bank) and International Monetary Fund (IMF) play a significant role in financing and providing technical assistance to countries undergoing post-conflict reconstruction. Coordination between the United Nations system and these financial institutions is not sufficient and continues to be an issue of concern.

47. According to the 1989 Articles of Agreement of the International Bank for Reconstruction and Development, one of the primary purposes of the institution is to:

> "Assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries."[20]

48. Likewise, the IMF has responded to the increasing need for international assistance in post-conflict countries. In October 1995, the IMF's Interim Committee endorsed the Executive Board's decision on expanding the scope of the IMF's involvement in post-conflict situations, including a definition of the circumstances under which it could provide emergency support in a context of coordinated international assistance.

49. The Inspectors were told that the World Bank and IMF have a long-standing working relationship and similarly share a long-term perspective in their projects. The institutions actively coordinate, both as a matter of practicality and policy. However, officials from both institutions acknowledged that coordination between themselves and the United Nations system is comparatively less active, particularly at the headquarters level. They indicated they supported improving coordination with the United Nations system.

50. In 1992, the JIU issued a report on the United Nations system cooperation with multilateral financial institutions.[21] The Inspectors reported that they identified little organizational co-operation between the United Nations system agencies and multilateral organizations. Yet, they pointed out that significant collaborative initiatives and a variety of cooperative operational programmes were under.way. The Inspectors also acknowledged the increasingly competitive field of technical assistance and cooperation, previously dominated by United Nations system organizations. Yet they noted how the United Nations system agencies were becoming increasingly marginalized by these other players. The key to better cooperation and coordination among partners is performance, specifically the bottom line of "impact and delivery."

51. During the course of preparing this report, the Inspectors found that many of the same issues identified in 1992 remain today. Furthermore, the United Nations system agencies may increasingly risk losing opportunities to be involved in decisions and arrangements related to coordination made during the planning phases. This lapse in United Nations involvement may be occurring because the

resources of the Bretton Woods institutions eclipse those of the United Nations system in post-conflict peace-building. As a result, when Bretton Woods institutions take the leadership role in developing reconstruction strategies, United Nations system organizations are not viewed as "donors" but as implementing organizations. Consequently, they are not integrated into the planning process. Simply put, due to the lack of resources, the United Nations system is not always invited to participate in planning efforts conducted by the Bretton Woods institutions. Also, as the United Nations tends to put an increasing proportion of its resources into short-term, emergency relief, less resources remain for investment in long-term reconstruction efforts.

52. Recently, the "Nordic United Nations Reform Project 1996" issued proposals that advocated improving coordination between the United Nations system and Bretton Woods institutions. Specifically the Project stated there should be greater coordination between the United Nations system and Bretton Woods institutions and stated the following:

> "Possible ways to strengthen collaboration would be the further development of mechanisms to enhance cooperation, the joint implementation of the programmes of action of the major United Nations conferences, the preparation of reports by the Institutions and the United Nations, and the sharing of information and greater coordination of the United Nations and the Institutions at the field level. It must be recognized, however, that optimum cooperation will only be achieved when the United Nations improves its overall performance and gains more credibility and relevance in the economic and social fields."[22]

53. Bretton Woods officials informed the Inspectors of on-going efforts to increase and improve coordination mechanisms between the United Nations system organizations and Bretton Woods institutions. World Bank officials told the Inspectors that letters of agreement had been exchanged between the United Nations, World Bank and IMF on coordination of post-conflict reconstruction in Angola in 1995. These letters were not made available to the Inspectors for review, therefore they cannot comment on the contents. However, for the most part, formal agreements between the United Nations system agencies and the Bretton Woods institutions committing them to specific goals and objectives, as well as a division of labour are not typical practice. As another example, the World Bank has a long-standing formal relationship with FAO, as evidenced by the Investment Centre's work in Bosnia and Angola.

54. However, post-conflict peace-building or reconstruction does not come under the jurisdiction of one organization in the Bank and instead, is handled by each regional group. One official, specifically involved in external relations, noted that multi-agency coordination is definitely an issue of interest. However, World Bank officials believe that within the United Nations system, often much time is spent discussing coordination issues with little done in practice, which results in overlap and working at cross-purposes. Relief and humanitarian assistance organizations have begun to cooperate with the World Bank and are certainly interested in being involved in reconstruction efforts earlier in the process. World Bank officials told the Inspectors there is definitely resistance to establishing any mechanism between United Nations system organizations and Bretton Woods institutions that is fixed and over-arching.

55. To illustrate why coordination is necessary to avoid duplication and overlap of effort, World Bank officials noted several areas. For example, the institution is moving into some new areas, including demining and demobilization — areas in which the United Nations Department of Humanitarian Affairs also has significant responsibility. However, World Bank officials explained that they are unaware of the Department's approach and, while cooperation is improving between the two organizations, there is still a struggle over jurisdiction and approach.

56. In another area, World Bank officials noted the expansion of some United Nations system organizations into what has traditionally been the domain of others. For example, the World Bank sees UNHCR moving more into development activities, moving beyond emergency relief. This raises the issue of an organization developing capacity when the necessary skills and mission may already exist in other agencies. Some World Bank officials are concerned that relief organizations compete with each other for short-term resources and goals, which also complicates the ability to coordinate effectively.

57. In general, Bretton Woods institutions command significantly more resources than United Nations system agencies. Accordingly, in the opinion of the Inspectors, the continued lack of coordination with Bretton Woods institutions could marginalize the United Nations role in post-conflict peace-building. For example, the Inspectors were informed of the Bosnia and Herzegovina Post-Conflict Reconstruction Fund and the reconstruction strategy, otherwise referred to as "the blueprint", drawn up by the World Bank and European Union. This blueprint covers the implementation of an initial tranche or US$ 5.1 billion to be implemented in 11 sectors for the reconstruction of Bosnia. Because United Nations system agencies were not seen as donors, they were not invited to work on the development of the blueprint. World Bank officials explained that the blueprint's key value was to keep the donors focused on the goals and objectives of reconstruction (agreed upon by the donors and country) and to impose some discipline on a system that can become very political. The concept of a blueprint aims to avoid parallel fundraising and "cannibalization" of increasingly scarce donor funds.

58. Over the past two years, the IMF has developed a policy articulating its role in post-conflict peace-building. With regard to coordination with the United Nations system, the current policy requires the IMF to contact the United Nations Resident Coordinator in the field. At the senior levels, the Managing Director of the IMF and key United Nations officials exchange information periodically. Currently this is not a formal process, however. The Inspectors were informed that the Managing Director of the IMF has expressed a strong interest in working more closely with United Nations system organizations, particularly in post-conflict peace-building. Like the World Bank, the IMF supports a flexible mechanism for coordination but resists anything fixed or standardized. Its experience in post-conflict countries has shown that the process of international coordination has benefited from the leadership of one agency or country, with different players performing this role in different cases. The IMF Board has endorsed such a flexible approach. However, the IMF Board has also noted that participation, particularly in the early phases of planning and preparation, would increase the IMF's ability to coordinate. As one official told the Inspectors, the IMF was not invited to participate in the formulation of the peace plan for El Salvador and therefore, was not able to provide advice on the macroeconomics. The same official believes that in Angola and Cambodia, IMF involvement has been more effective because of early involvement. Because the IMF is largely concerned with establishing

the macroeconomic framework in the reconstruction of a country, it is critical for the Fund to be involved early in planning, as well as implementation.

59. IMF officials told the Inspectors that while the institution sees itself as an important player in post-conflict reconstruction, it does not intend to provide the leadership. Therefore it tends to be quite agnostic about who provides leadership — just as long as someone does lead. In three recent situations, the leaders were different. In Cambodia, the United Nations took the lead role, in Haiti, the World Bank and the United States took the lead, and in Bosnia, the World Bank and the European Union are providing the leadership. These relationships appear to be appropriate given expertise, resources and interests.

60. The IMF's experience is that coordination at the country level has been good. Officials told the Inspectors their view is that more coordination at the United Nations Headquarters level, as well as tracking and information exchange, would be desirable.

V. TOWARDS A NEW APPROACH TO POST-CONFLICT PEACE-BUILDING

61. On the basis of their interviews and analysis, the Inspectors would like to present their conclusions and recommendations. In their view, the establishment of effective coordination mechanisms, in general, must be viewed as a primary feature of United Nations reform efforts. Specifically, United Nations system organizations involved in post-conflict peace-building must be committed to improving coordination mechanisms as part of an ongoing process to improve the functioning of the system. Effective coordination practices should be permanently embedded in United Nations system structures and processes, and should be accomplished through existing organizations or bodies.

62. Each post-conflict situation will involve a different set of conditions and circumstances, typically related to weakened civil institutions and the lack of a culture of stability and reconciliation. In some cases, there will be no effective Government with which to coordinate. The degree of destruction of institutions and sectors and the political-military situation will vary widely. Given this high degree of variability, conditions and circumstances in a country undergoing reconstruction will change over time, and any framework for coordination must be sufficiently flexible to accommodate such changes. Therefore the Inspectors recommend that the coordination framework for post-conflict peace-building must be, *inter alia*, over-arching and coherent, yet sufficiently flexible to adjust to the unique aspects of each peace-building situation — the preferred method of coordination will therefore be "ad hoc" based on certain generally agreed upon principles.

63. The agreement ending the conflict provides a good platform for articulating the coordination framework to be used during recovery. Peace-building activities must be reinforced by a series of measures and actions to consolidate peace. Addressing the means for coordination is critical at this point because the manner in which these activities are incorporated into the agreement will be critical to the success of achieving coordination during implementation. In response, the Inspectors recommend that a framework for coordination must be established during the initial reconstruction planning phases. Member States, as represented in the components of the United Nations system, may consider the agreement ending the conflict as a suitable platform for outlining and reinforcing a series of measures and actions to consolidate peace, establish linkage between peacekeeping and peace-building operations, and outline the framework for coordination.

64. The Inspectors identified several barriers to achieving effective coordination of post-conflict peace-building activities that provide some evidence that United Nations system organizations do not realize the benefits and efficacy of a common system. Specifically, the Inspectors found some organizations involved in post-conflict peace-building view their independence as a higher priority than coordination with other organizations. In the view of the Inspectors, such coordination requires a certain degree of subordination to the leadership of another organization. Further, they do not share a generally accepted understanding of coordination and lack well-defined working relationships vis-à-vis each other. Accordingly, the Inspectors conclude that there is an urgent need for accepting a set of provisions which would articulate several important aspects of post-conflict peace-building coordination. Therefore, they recommend that the ACC should prepare a declaration on the coordination of peace-building activities for acceptance by the General Assembly and legislative bodies of specialized agencies which should recognize the need for United Nations system

organizations to maintain their independence, yet articulate the primacy of the United Nations leadership and reinforce the need for coordination to ensure the maximum utilization of resources and the achievement of objectives. Such a declaration should also:

- Come to an agreement on a generally acceptable understanding of coordination;
- Establish clear mandates and guidelines for United Nations system organizations involvement in post-conflict peace-building activities;
- Identify organizations, both at the headquarters and field levels, which will assume leadership for coordinating policy issues in post-conflict peace-building activities;
- Establish more formal and consistent coordination between United Nations system organizations and Bretton Woods institutions;
- Strengthen existing coordinating bodies, such as the ACC, its subsidiary bodies, and the Inter-Agency Standing Committee (IASC); and
- Build and expand on coordination efforts under way among thematic lines.

65. Peacekeeping activities have become increasingly multi-functional, including such activities, as disarmament of former combatants, election monitoring and infrastructure building. Consequently, the line between peacekeeping and peace-building activities has become blurred. While the two phases are related, the objectives and operational components of peacekeeping and peace-building activities differ significantly. Peacekeeping was originally designed to maintain the peace and involves only United Nations resources, personnel and financing. Peace-building, on the other hand, is designed to build upon the maintenance of peace and involves a wide range of bilateral and multilateral actors, activities, objectives, and financing mechanisms. In current practice, peacekeepers no longer solely perform peacekeeping activities, but have become increasingly involved in peace-building. As a result, peacekeeping has moved beyond its original role of creating a "buffer" between the parties involved in the conflict and establishing stability so the reconstruction of the country and its economy can take place in an orderly fashion. In the Inspectors' opinion, peacekeeping and peace-building activities should not be commingled, but maintained as separate, distinct operations. Yet, in their view, there should be clear linkage and a smooth transition between two phases to ensure the investment made during the peacekeeping phase is retained. The Inspectors recommend that as one element of enhancing coordination, Member States may wish to consider the possibility of carrying out peace-building activities as a separate and distinct operation — "a peace-building operation" — albeit closely linked as a follow-on to the peacekeeping phase.

66. The Inspectors found effective coordination at the field level, under the leadership of either the United Nations Resident Coordinator or Secretary-General's Special Representative. However, the Inspectors found no evidence of the same at the policy and headquarters levels of United Nations system organizations. At the United Nations system level, the IASC plays an important role in facilitating the consultative process between organizations involved in relief operations; however, its role and resources are constrained with regard to expanding this role to the continuum of post-conflict

peace-building activities. In the considered view of the Inspectors, coordination at all three levels — policy, headquarters and system-wide — is essential, as it is here that strategic policy and resource decisions are made. A recent proposal by the Secretary-General to establish the Department of Political Affairs as the lead United Nations department for peace-building creates a focal point for coordination at the United Nations headquarters levels, which has been previously lacking. Without effective coordination at the policy, headquarters and United Nations system levels, there is limited or no assurance that activities, responsibilities and resources will be effectively coordinated at the appropriate levels, leaving an undue burden on the field level organizations to coordinate. In particular, the Inspectors see the need for more integrated support at the headquarters level for country-level operations. Further, the Economic and Social Council (ECOSOC), a principal organ of the United Nations, is not sufficiently involved in the coordination of peace-building activities, as recently noted by the Secretary-General in his speech before ECOSOC. The Inspectors welcome his proposals to enhance the Council's role in policy coordination and improving the coherence of the Council's machinery.

Policy level

As peace-building is essentially a component of development activities, the coordination role of the ECOSOC in development policies and activities should be enhanced in accordance with Chapter X of the United Nations Charter.

Headquarters level

(a) Coordination issues related specifically to peace building activities should be a regular agenda item to be discussed during the Secretary-General's "cabinet" meetings between United Nations departments.

(b) The secretariats of other United Nations system organizations should follow the example set by the Secretary-General and establish a lead department for the coordination of policy and strategic decisions among system organizations involved in peace-building.

United Nations system level

(a) To more effectively coordinate United Nations system organizations involved in peace-building, ACC's role should be expanded to include an ongoing coordinator role for post-conflict peace-building activities of the United Nations system. This should be accomplished within existing coordination mechanisms.

(b) The IASC should be strengthened in order for it to play a greater role in the coordination and integration of post-conflict peace-building activities among United Nations system organizations.

67. The Bretton Woods institutions, in particular the World Bank and International Monetary Fund, already play a significant role in financing and providing technical assistance to countries undergoing post-conflict reconstruction. Coordination between the United Nations system and these financial

institutions is not sufficient and continues to be an issue of concern. Consequently, there have been instances where these financial institutions developed their reconstruction strategies without consulting or including United Nations system organizations. Formal mechanisms, such as the exchange of letters, should be used to outline general concurrence among Bretton Woods institutions and the United Nations system regarding coordination, with the next step being to develop more specific, detailed operations-oriented procedures. (Such an exchange of letters between the Secretary-General and the Director of the World Bank took place in 1995, outlining the coordination arrangement for Angola.) In his speech before the High-Level Segment of the 1997 Substantive Session of the ECOSOC, the Secretary-General recognized efforts by the ECOSOC to promote closer interaction between United Nations system organizations and Bretton Woods institutions.[23] Given the increasing role played by Bretton Woods Institutions in post-conflict peace-building activities, United Nations system organizations should formally establish coordination linkages, between themselves and these financial institutions to ensure both participation in the planning phases of post-conflict recovery and a sustainable, coordinated relationship throughout reconstruction. These linkages should be developed without the creation of new structures.

Notes

1. "Supplement to An Agenda for Peace", position paper of the Secretary-General on the occasion of the 50th Anniversary of the United Nations (A/50/60-S/1995/1, 3 January 1995).

2. "An Agenda for Peace", Report of the Secretary-General, adopted by the Summit Meeting of the Security Council, 31 January 1992 (A/47/277-S/24111, 17 June 1992).

3. "Military Component of United Nations Peacekeeping Operations" (JIU/REP/95/11); "Strengthening of the United Nations System Capacity for Conflict Prevention" (JIU/REP/95/13).

4. Statement by the Secretary-General to the High-Level Segment of the 1997 Substantive Session of the Economic and Social Council (SG/SM/97/138, 3 July 1997).

5. "Strengthening of the United Nations System Capacity for Conflict Prevention", (JIU/REP/95/13).

6. "An Inventory of Post-conflict Peace-building Activities", Task Force on Post-conflict Peace-building, December 1995 (p. iv).

7. International Colloquium on Post-Conflict Reconstruction Strategies, Stadtschlaining, Austria, June 23-24, 1995.

8. Ibid.

9. JIU/REP/95/13.

10. An Agenda for Development, a report of the Secretary-General, General Assembly document A/48/935, 6 May 1994, para. 213.

11. Webster's Ninth New Collegiate Dictionary, 1990.

12. "Strengthening the UN through Change: Fulfilling Its Economic and Social Mandate," The Nordic UN Reform Project 1996, December 1996.

13. "Agreements between the United Nations and Specialized Agencies and the IAEA", (ST/SG/14, 1961).

14. General Assembly resolution 51/101, para. 4.

15. "From a Culture of Violence to a Culture of Peace", UNESCO, 1996.

16. An Inventory of Post-conflict Peace-building activities, United Nations Task Force on Post-conflict Peace-building, December 1995.

17. "Review of the United Nations System Capabilities in Post-Conflict Reconstruction", Inter-Agency Working Group on the Role of the United Nations System in Post-Conflict Situations (ACC/1996/POQ/CRP.2, annex A).

18. Year in Review 1996, United Nations Peace Missions.

19. Crocker, Chester and Hampson, Fen Osler, "Making Peace Settlements Work", Foreign Policy, No. 104, Fall 1994.

20. International Bank for Reconstruction and Development, Articles of Agreement, amended February 1989.

21. JIU/REP/92/1.

22. "Strengthening the UN through Change: Fulfilling Its Economic and Social Mandate", The Nordic UN Reform Project 1996, December 1996.

23. Statement by the Secretary-General to the High-level Segment of the 1997 Substantive Session of the Economic and Social Council (SG/SM/97/138, 3 July 1997).

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Operational activities for development: operational activities for development of the United Nations system

Report on funding modalities of operational activities as requested by the Economic and Social Council

Report of the Secretary-General

Background

1. As foreseen by the General Assembly in its resolution 50/227 of 24 May 1996 and the Economic and Social Council in its resolution 1997/59 of 24 July 1997, the Assembly will examine, in the early part of its fifty-second session, the question of new funding modalities for operational activities for development of the United Nations system.

2. The present report, prepared pursuant to a request by the Economic and Social Council in paragraph 6 of its resolution 1997/59, supplements previous reports on the subject: (a) the report of the Secretary-General to the Council at its substantive session for 1997 (E/1997/65 and Add.1); and (b) the two reports prepared for the open-ended informal consultations on prospective new modalities for financing operational activities initiated pursuant to General Assembly resolution 48/162 of 20 December 1993 (A/48/940 and A/49/834).

3. The latter two documents reviewed the principal features of a number of funding modalities, ranging from assessed contributions to negotiated pledges, and offered recommendations aimed primarily at placing voluntary pledges on a more secure and predictable basis by offering ideas on: multi-year pledges (or some early indication of intentions to possibly reduce contributions from current levels); dealing with currency fluctuations; and linking funding to programmes endorsed by the relevant governing body. It may be recalled that several of these informal consultations were held, with inconclusive results, as recorded in the Chairman's summary (see A/49/749, annexes I and II).

4. The report of the Secretary-General entitled "Renewing the United Nations: A programme for reform" (A/51/950), is particularly germane to the renewed examination of the subject of funding modalities. It points out in paragraph 147 that despite growing demand for United Nations development support, "the key funds and programmes of the United Nations continue to face stagnation and lack of predictability and reliability in core contributions, accompanied by a significant growth in earmarked resources". It indicates that steps are being taken to elaborate proposals of a burden-sharing arrangement designed to increase core resources and the setting up of an Office for Development Financing (action 11). Furthermore, it recommends to Member States "that a new system of core resources consisting of voluntary contributions and negotiated pledges to be appropriate in multi-year tranches be established".

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Current policy parameters

5. Past examination of new funding modalities, including by the open-ended consultations mentioned in paragraph 2 above, took place against a background of policy parameters that favoured maintenance of the current system of voluntary funding, a position reiterated by individual Governments.

6. Among those policy parameters was that funding: be voluntary; be focused on core resources, originating essentially from official sources; be multilateral and neutral and remain universally accessible; produce stable, secure and predictable levels of funding linked to programme requirements of the funds and programmes; and contain elements leading to more burden-sharing.

7. In its resolution 1997/59 the Council reiterated a number of policy parameters established by the General Assembly in previous resolutions and stated that any funding modality should focus, in particular, on core resources and that voluntary resources from official sources should remain the main source of funding the operational activities for development. Other categories of non-core resources should be seen as a supplement to core resources aimed at enhancing the capacity of the United Nations development system to deliver operational activities.

Funding targets

8. In annex I, paragraph 12, of its resolution 50/227, the General Assembly assigned to the governing boards of the United Nations funds and programmes responsibility for adopting, in the context of their programme arrangements and financial plans, a realistic target for core resources, based on the needs arising from their agreed programmes and priorities, as well as specific mandates of each programme and fund. Accordingly, the boards identified requested funding targets in their relevant decisions.

9. In its decision 95/23 of 16 June 1995, the Executive Board of the United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA), adopted for UNDP planning purposes the initial figure of US$ 3.3 billion for core resources for a three-year period starting in 1997, and stressed that increasing voluntary contributions to core resources should remain the central effort of all donors, in particular, traditional donors. The Board also recognized the importance of non-core resources, including cost-sharing and non-traditional sources of financing.

10. In its decision 97/11, the Executive Board approved for 1998 programme expenditure authority for UNFPA at the level equal to expected new programmable resources for 1998, estimated at $278 million and endorsed the following estimates of new programmable resources from regular resources for programme planning for the 1999-2001 period: $298 million for 1999; $318 million for 2000; and $371 million for 2001. The Board also endorsed estimates of $25 million per year for the years 1998-2001, from multi-bilateral funding (non-core resources).

11. The United Nations Children's Fund (UNICEF), funding targets approved by the Executive Board are contained in its medium-term plan, which is a rolling four-year plan that is updated every two years, except for the financial plan, which is updated yearly. The latest medium-term plan approved by the Board at its third regular session of September 1997, forecasted total income for 1997 of $915 million, 3 per cent less than for 1996. The funding target set for 1998 is $940 million, which is a slight increase over 1997. The funding target projected for 1999 is $963 million and for 2000 is $996 million. The previous medium-term plan approved by the annual Board session of 1996 forecasted that total income should increase to $1,127 million by 1999.

12. The World Food Programme (WFP) works in both development and relief, and it receives its contributions both in cash and in kind. The trend in funding over the past several years has seen an increase in the overall level of funding since 1990, accompanied by a dramatic shift in the proportion of funds provided for development activities and emergency relief operations. In November 1995, the governing body of WFP approved new resource and long-term financing policies, which the secretariat has been implementing on a trial basis commencing 1 January 1996. Of the contributions made to WFP in 1996, 28 per cent were for development work, 46 per cent for emergency operations and 24 per cent for protracted relief. In addition, 2 per cent were pledged in support of special operations. The sharp decline in development contributions made it difficult to meet commitments and reinforced the need to introduce a development dimension into relief effort. The downward trend in development contributions has been accompanied by an increase in the proportion of development resources that have conditions on their use. In 1996, approximately 50 per cent of WFP resources were core. Most of the non-core resources are directed to emergency relief operations.

Recent data on contributions

13. As reported to the most recent substantive session of the Economic and Social Council, core resources contributed

to UNDP, UNICEF and WFP declined between 1991 and 1995 in nominal United States dollars (see E/1997/65/Add.1). In the case of UNDP, this decrease was from $1,022 million in 1991 (and a high of $1,074 million in 1992) to $917 million in 1995 — a trend that continued in 1996 and 1997 ($844 million and $764 million (estimated), respectively). These figures are far below the target of $1.1 billion adopted for UNDP planning purposes in decision 95/23 of the UNDP/UNFPA Executive Board. For UNICEF, core resources stood at $548 million in 1992, and $551 million in 1996, declining to an estimated level of $545 million in 1997. The situation at UNFPA differs as there was an increase from $219 million in 1991 to $305 million in 1995, although since 1995, there was a decrease of about 10 per cent.

14. In the case of WFP, there was a sharp decline in the overall level of funding from more than $1.7 billion in 1992 to $1.3 billion in 1996 (a trend that is estimated to continue in 1997) associated with a sharp decline in expenditures for development activities both in real terms and in ratio to relief activities from 54 per cent of total expenditures in 1990 to 31 per cent in 1995. In 1997, a further decline is envisaged, which makes it difficult to carry out that part of its mandate.

15. The annex to the present report provides updated figures on contributions, revealing that a further reduction in contributions for 1996 took place, a trend that is estimated to continue in 1997. During this same period, the shares of non-core resources in total funding of United Nations funds and programmes constituted almost half, except for UNFPA, where it stands at about 20 per cent.

Conclusion

16. Clearly, the current funding modality for core resources is not generating the contributions required to meet the established programme targets and new requirements arising from the recent cycle of United Nations conferences. Any new modality must, obviously, command wide political support, for the decision to contribute is clearly a political choice, which may be affected more by political considerations than the technical features of a funding modality.

17. An important feature of the current funding situation is that, as core resources declined, there was a relatively rapid increase in non-core and earmarked resources. The implication of this trend was assessed in the report of the Secretary-General to the Economic and Social Council (see E/1997/65/Add.1, sect. II). For both categories of contributions, as noted in that report, a small number of donors contribute more than 90 per cent of the funds. In assessing the potential of new funding modalities it might be useful to examine the rationale prompting some countries to favour non-core funding avenues. Such examination may help develop a more responsive mechanism and programme policies guiding core funding, bringing them into closer alignment with policies guiding non-core contributions.

18. Moreover, separate consideration is being given to the subject of new and innovative funding of global development requirements, involving a review of a variety of new sources. This subject is mentioned, together with funding modalities, *inter alia,* in paragraph 17 of annex I to General Assembly resolution 50/227. The Council considered this subject separately on the basis of document A/52/203-E/1997/85. The link of any new funding modality and new and innovative funding ideas may need to be clarified, in particular, as it pertains to funding of operational activities for development.

Annex

Contributions to United Nations Funds and Programmes, 1991-1997

(Millions of United States dollars)

		UNDP	*UNDP Administration*	*Subtotal*	*Percentage*	*UNFPA*	*Percentage*	*UNICEF*	*Percentage*	*WFP*[a]
1991	Core	1 022.0	63.5	1 085.5	81	219.3	98	506.0	63	
	Other	220.0	39.8	259.8	19	4.7	2	301.0	37	
Total		**1 242.0**	**103.3**	**1 345.3**	**100**	**233.0**	**100**	**807.0**	**100**	**1 401.1**
1992	Core	1 073.8	55.9	1 129.7	76	233.2	98	548.0	58	
	Other	408.0	30.3	438.3	24	5.0	2	390.0	42	
Total		**1 481.8**	**86.2**	**1 568.0**	**100**	**238.2**	**100**	**938.0**	**100**	**1 734.9**
1993	Core	907.9	47.5	955.4	66	217.0	99	509.0	59	
	Non-core	475.5	25.1	500.6	34	2.7	1	357.0	41	
Total		**1 383.4**	**72.6**	**1 456.0**	**100**	**219.7**	**100**	**866.0**	**100**	**1 435.1**
1994	Core	916.7	45.7	962.4	53	254.5	96	535.0	53	
	Non-core	832.9	15.4	848.3	47	10.7	4	471.0	47	
Total		**1 749.6**	**61.1**	**1 810.7**	**100**	**265.2**	**100**	**1 006.0**	**100**	**1 515.0**
1995	Core	926.8	52.8	979.6	52	305.0	91	537.0	54	
	Non-core	870.5	28.7	899.2	48	32.1	9	474.0	47	
Total		**1 797.3**	**81.5**	**1 878.8**	**100**	**337.1**	**100**	**1 011.0**	**100**	**1 282.4**
1996	Core	844.0	51.9	895.9	40	308.7	97	551.0	58	675.9
	Non-core	1 297.8	24.6	1 322.4	60	8.3	3	393.0	42	660.2
Total		**2 141.8**	**76.5**	**2 218.3**	**100**	**317.0**	**100**	**944.0**	**100**	**1 336.1**
1997[b]	Core	764.2	50.9	815.1	37	285.0	92	545.0	59	659.5
	Non-core	1 366.6	20.0	1 386.6	63	25.0	8	370.0	41	659.5
Total		**2 130.8**	**70.9**	**2 201.7**	**100**	**310.0**	**100**	**915.0**	**100**	**1 319.0**

[a] From 1991 to 1995 core and other resources not available. For 1996 and 1997, figures are provisional.

[b] Estimates.

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Agenda items 23, 27, 30, 35, 89, 97,
110 and 112

MULTILINGUALISM

RETURN OR RESTITUTION OF CULTURAL PROPERTY TO THE COUNTRIES OF ORIGIN

NECESSITY OF ENDING THE ECONOMIC, COMMERCIAL AND FINANCIAL EMBARGO IMPOSED BY THE UNITED STATES OF AMERICA AGAINST CUBA

ELIMINATION OF COERCIVE ECONOMIC MEASURES AS A MEANS OF POLITICAL AND ECONOMIC COMPULSION

QUESTIONS RELATING TO INFORMATION

SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

ELIMINATION OF RACISM AND RACIAL DISCRIMINATION

HUMAN RIGHTS QUESTIONS

Letter dated 2 October 1997 from the Permanent Representative of Colombia to the United Nations addressed to the Secretary-General

In my capacity as Chairman of the Coordinating Bureau of the Movement of Non-Aligned Countries, I have the honour to enclose herewith the Medellín Declaration for Cultural Diversity and Tolerance and the Plan of Action on Cultural Cooperation, adopted by the First Meeting of Ministers of Culture of the Movement of Non-Aligned Countries, held at Medellín, Colombia on 4 and 5 September 1997.

I would highly appreciate it if the text of the present letter and its annexes could be circulated as an official document of the General Assembly under agenda items 23, 27, 30, 35, 89, 97, 110 and 112.

(Signed) Julio LONDOÑO PAREDES
Ambassador, Permanent Representative

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ANNEX I

[Original: English, French and Spanish]

Medellín Declaration for Cultural Diversity and Tolerance, adopted by the First Meeting of Ministers of Culture of the Movement of Non-Aligned Countries, held at Medellín, Colombia, on 4 and 5 September 1997

The Ministers in charge of Culture of the Member States of the Non-Aligned Movement met in Medellín, Colombia, on September 4 and 5, 1997, to propose actions to promote cultural cooperation among Member States and respect for the cultural diversity and freedom of expression, with due regard to the hopes and aspirations of their peoples, in pursuit of their cultural activities and cultural traditions, and in accomplishing the mandate given by the XI Summit of Heads of State and/or Government of the Non-Aligned Countries.

1. The Ministers expressed their satisfaction at the call made by the Heads of State and/or Government of the Non-Aligned Countries to hold a conference of Ministers of Culture, as a recognition of the importance granted to the subject of culture by the XI Summit that took place in Cartagena de Indias, Colombia, between October 18 – 20, 1995.

2. The Ministers agreed that the guiding principles of the Movement continue to be valid because, notwithstanding the end of the Cold War and, consequentially, the end of ideological confrontation, new barriers have emerged between the North and the South. Globalization, unipolarism, and technological gaps, as well as aggression and occupation, threaten and marginalize our cultures and their national character, and jeopardize our survival as sovereign nations.

3. The Ministers acknowledged that the cultural diversity and the plurality of views of the world constitute a major asset to mankind, and provide a contribution for the construction of a new international order. These rich diversities should be considered as opportunities for cooperation and solidarity rather than reasons for dissension.

4. The Ministers emphasized that international cultural relations shall be based on cooperation and not on confrontation. As it emerges from the Final Document of the Cartagena Summit, cooperation is not an option but an imperative, and should be grounded on the acknowledgement and respect of the cultural identity and sovereignty of each State.

5. The Ministers emphasized that the media have an important role to play in the universalization of ideas of tolerance, respect for cultural diversity and the right to cultural development.

6. The Ministers also emphasized the need for objective information and their determination to coordinate the actions by the Non-Aligned Countries in all relevant international fora, in order to combat the disinformation strategies aimed at producing adverse political effects on member countries of NAM and other developing countries.

7. In this context, the Ministers welcomed the outcome of the Fifth Meeting of Ministers of Information of the Non-Aligned Countries which, inter alia, agreed on the need for intensive research efforts by Non-Aligned Countries in the development of communication technology and cooperation amongst the NAM members as a means of redressing the continued imbalances and inequalities between developed countries and developing countries in the field of information and communication.

8. The Ministers, in keeping with the spirit of the Cartagena Summit, expressed their commitment to take specific actions to strengthen South-South cooperation in the information and communication fields, as well as in other forms of cultural cooperation, including education and training, based on the principle of collective self-reliance.

9. The Ministers also stressed the need to increase technology transfer in the fields of information and communication, and emphasized that the application of procedures to protect intellectual property rights should take into account the needs of developing countries, so as not to adversely affect the financial, commercial, technological and development interests of those countries.

10. The Ministers requested national and international organizations, especially the World Intellectual Property Organization WIPO, and the UNESCO Intergovernmental Commission for Intellectual Property, to continue to work with every greater intensity, on the recognition and defense of community rights and creative folk activities in different cultures, mainly those in developing countries.

11. The Ministers acknowledged that the modern telecommunications know-how, and updated audiovisual and printed information services, should not be employed as means of cultural dominance against the vernacular cultures of the world. Furthermore, they noted that broadcasting content that runs contrary to the cultural and moral values of the developing countries should be discouraged.

12. The Ministers underlined that the actual trend of globalization leads to the loss of identity, and of the sense of community, personal esteem, as well as the sense of belonging to one's own culture. Therefore, the Ministers agreed that equitable and mutually beneficial globalization is the best option by which countries of the South may enrich the cultural heritage of mankind.

13. The Ministers agreed that it is important to preserve and advance the cultural heritage by adhering to national cultural policies, and unite in solidarity against the ideological and cultural infiltration by the developed countries.

14. The Ministers strongly condemned all attempts to undermine the cultural heritage of peoples under foreign occupation and stressed the need for the respect of their cultural values, customs and traditions, as well as the preservation, conservation and protection of their archeological, religious and historical sites.

15. The Ministers expressed their full support for the respect of cultures, which must be based on the principles of international law, international humanitarian law and the United Nations Charter. In this regard, they emphasized the respect for the sovereignty of States and support of people's struggle against colonialism, foreign occupation and usurpation of their legitimate rights.

16. The Ministers took into consideration the UNESCO decisions that deal with the protection of cultural heritage and sites in Jerusalem. They supported those decisions and refused and rejected any attempt to change the historical cultural identity of the Holy City, and emphasized that all these changes are illegal.

17. The Ministers agreed that one of the main objectives of cultural policies in developing countries is to stimulate the underlying creative potential of their people, such as their rich heritage in traditional, scientific and technical knowledge. They also agreed that the greatest challenge faced by the Member States is to develop mechanisms to cooperate in these fields, in order to mutually re-inforce each other, as well as to develop collective self-esteem.

18. The Ministers emphasized the importance of conceiving culture from a broad standpoint, transcending the concept that limits it to fine arts and folklore. They suggested a culture sensitive process of development which will be able to draw on the large resources of creativity and traditional knowledge and skills that are to be found throughout the developing world. They emphasized the importance of culture as one of the integral factors defining the identity of countries.

19. The Ministers highlighted the responsibility of States to guarantee and implement the right to culture as established in Article 27 of the Universal Declaration of Human Rights. The Ministers also stressed the need to preserve and protect the cultural diversity of human kind in all its forms, so that future generations will also be enriched by this inheritance.

20. The Ministers confirmed that cultural embargoes have adverse effects on all aspects of cultural life and on the coming generations, by depriving them opportunities to match the development of cultural life in the world and respond to the needs of cultural development, and call for putting an end on all measures which adversely affect the proceeding of cultural processes in the countries subjected to embargoes.

21. Likewise, the Ministers confirmed the decision adopted by the Ministers of Foreign Affairs of the Movement in New Delhi on April 8, 1997, and the Communiqué issued by the Coordinating Bureau of the Non-Aligned Movement on June 4, 1997, that rejects the blockade against Cuba, lasting for over 35 years, and the legislative instruments on which it is based, particularly the Helms-Burton law, whose extra-territorial effects, like similar laws such as the D'Amato Act against Iran and Libya, violate the sovereignty and cultural identity of the states affected, and are a genuine proof of the intolerance that impedes the free flow of culture amongst nations.

22. The Ministers expressed, as the Heads of State and Government did, their concern for the new trends to adopt discriminatory practices based on culture, nationality, religion or language, and rejected the contemporary forms of racism, racial discrimination, xenophobia and related forms of intolerance.

23. The Ministers affirmed the right of migrants to express their culture in host countries, in a way that does not jeopardize or disrespect the culture and religious values of the host country. In this sense, the Ministers urged the proposed forthcoming world conference against racism to be an opportunity to explicitly condemn the practice of discriminating and excluding immigrants because of their culture.

24. The Ministers stressed the need for national institutions, while keeping into consideration the characteristics of each individual State, to be capable of responding to the cultural needs of their people, guaranteeing the full exercise of cultural rights, in perfect harmony with cultural movements, so that their action becomes a

promoter, rather than an obstacle, for development. Likewise, the Ministers expressed the need to formulate long-term policies to generate ambitious cultural projects and avoid discontinuity in cultural processes.

25. The Ministers acknowledged and commented the new perception of the role that women play in culture, in the field of promoting and preserving cultural values and traditions, and called for the adoption of concrete measures to increase the involvement of women in the formulation of cultural policies by the State and society.

26. The Ministers expressed their particular concern over the scarce opportunities provided by society for young people and recommended that they be encouraged to participate in cultural affairs by giving them the necessary basis and participation in decision-making with all due respect for diversity.

27. The Ministers stressed the need to take concrete measures in order to promote good quality and beneficent cultural industries, and facilitate domestic and global distribution of the goods produced by them. They underlined their commitment to strive to set up networks for cultural exchanges of, inter alia, goods, services and information within Member Countries, adopting for such purpose the technical and legal measures that may be necessary.

28. The Ministers deemed it essential to promote and sponsor activities in the fields of education, science, technology and humanities, in their various manifestations and modalities, and highlighted the role that existing intergovernmental organizations, including UNESCO, are called to play in this respect. In the context of the proposed Summit on Culture and Development, the Ministers deemed it crucial that the Non-Aligned Countries should work together and cooperate in the preparation for the Summit, and should present their collective points of view.

29. Likewise, the Ministers supported the cultural integration process initiated in 1989 by the Ministers of Culture of Latin America and the Caribbean, and called on other regions of the Non-Aligned Movement to consider this important experience in order to adopt similar processes of integration, cooperation and reinforcement of their own identities.

30. The Ministers reaffirmed, as it was the case forty years ago, that peace continues to be among the main purposes of the Non-Aligned Movement. In this context, the Ministers highlighted the basic role that culture and tolerance play in every process aimed at the consolidation of peaceful coexistence.

ANNEX II

[Original: English, French and Spanish]

Plan of Action on Cultural Cooperation adopted by the First Meeting of Ministers of Culture of the Movement of Non-Aligned Countries, held at Medellín, Colombia, on 4 and 5 September 1997

1. The Ministers in charge of Culture agreed that, on the eve of the 21st century, the Movement has a major responsibility to protect and promote respect for cultural diversity and tolerance, as well as to respect the cultural heritage and diversity of its people, through the process of cultural development and cultural cooperation in the quest for peace and integration.

2. To this end, the Ministers undertook to give priority to adopt and implement cultural policies and action plans, in accordance with their own diversity, aimed at guaranteeing full respect of cultural heritage, cultural rights, pluralism, tolerance, free cultural expression and cultural development in the era of globalization.

I. Cultural Heritage and Diversity

3. Noting that cultural heritage and diversity are basic characteristics of peoples, the Ministers recommended that their governments:

i. Consider the preservation, promotion, protection and conservation of the cultural heritage as a guiding principle for the formulation of cultural policies.

ii. Design and implement plans and programs to carry out the inventory, evaluation, dissemination, recovery, maintenance, rehabilitation, preservation and development of the national cultural heritage.

iii. In defending cultural diversity, avoid discriminatory or preferential treatment, as these are detrimental to the principles of equity, except where considered essential for disadvantaged sections of society, in accordance with national legislation.

iv. Promote the integration of the respect to cultural diversity into the functions of international organizations, notably within the United Nations and particularly in the field of human rights.

v. Resort to all available media in order to disseminate information about this diversity and make it known both at the national and international levels, and promote the exchange of information on the compilation, restoration, social use, dissemination and preservation of the cultural heritage of their countries.

vi. Foster multilinguism, inasmuch as it implies the acknowledgement of the right and duty of each country in the world to both make itself understood and understand others.

vii. Highlight the importance of oral traditions of the peoples of the world and draw up programs to document, preserve and respect them.

viii. Promote awareness and facilitate access of the youth to their culture of origin.

ix. Seek to obtain the return of illicitly acquired cultural property of all kinds to their countries of origin, particularly art objects, monuments, museum pieces, archives, manuscripts, documents and any other cultural or artistic treasures. This action will contribute to the strengthening of international cooperation and will allow cultural values, common to developing countries, to be preserved and flourish.

4. The Ministers in charge of Culture expressed concern about the illegal export and trade in antiquities and other items of great cultural value to the countries of origin, including those taken from occupied territories, as such practices destroy the cultural heritage of the developing countries. In that respect, they recommended that their governments:

i. Cooperate by exchanging relevant information in order to prevent illicit export and trade of such important items of cultural value and cultural heritage of Non-Aligned Countries.

ii. Introduce national legislation, aimed at preventing the transit or trade of such items on their territories.

iii. Cooperate in the context of international bodies, such as UNESCO and the United Nations, in order to prevent the illegal export and trading of such items and to facilitate their return to the countries of origin.

5. Noting the importance of music in the national identity and culture of developing countries, and the role it could play in strengthening South-South links, the Ministers invited Member States, artists, producers and the media of developing countries to contribute to the follow-up efforts to produce musical materials, and make these available for television and radio broadcasting, and to the broader public in the South.

II. Education and Tolerance

6. Considering that education and tolerance are essential components of development and cultural diversity, the Ministers agreed on the need to:

i. Reinforce the principles of cultural diversity in education programmes.

ii. Adopt and implement cultural and educational policies that link the educational systems with the social and cultural settings, based on specific programmes related to the culture of each people.

iii. Adopt and implement policies by which educational systems promote the principles of respect for others and tolerance for differences, specially addressed to the youth.

iv. Include in education programmes the concept that teaching should contribute to integration, cooperation and peace.

v. Implement cultural and educational programmes which give priority to gender issues, with a view to ensuring equal opportunities for men and women in education, work, political participation, decision-making as well as to develop their creativity.

vi. Adopt and implement education policies addressed to the understanding of culture in its widest sense. Broader dimensions of culture and creativity will pave the way to cultural development for different human groups in all age ranges.

vii. Develop cultural and educational programmes which include and foster oral traditions, where the elderly can actively participate by sharing their knowledge and memories with younger generations.

viii. Encourage Member Countries to exchange teachers and specialists, particularly in the field of cultural management and formal or informal education for people of all ages.

ix. Promote efforts to organize scholarships and internships on cultural programs amongst NAM countries.

III. Communications and Globalization

7. While stressing the importance of communications to encourage the acknowledgement of the cultural diversity of peoples, the Ministers agreed to recommend that their governments adopt and implement policies to:

i. Guarantee all citizens democratic access to and participation in information and the media.

ii. Resort to the maximum use of the media to inform the international community about the cultural plurality of NAM Countries.

iii. Encourage the media to take a leading role in disseminating information that promotes the understanding of cultural diversity.

iv. Launch information campaigns that promote awareness of cultural diversity.

v. Strengthen cooperation with the Non-Aligned News Agency Pool (NANAP) and the Broadcasting Organization of Non-Aligned Countries (BONAC), and accelerate the process of setting up the International Information Centers of Non-Aligned Countries (IINC), as well as take advantage of this NAM information entities to disseminate understanding about the cultural and creative diversity of Member Countries.

vi. Participate in NAM cultural events like Film Festivals and Contemporary Art Exhibitions, as the ones successfully organized by the Democratic People's Republic of Korea and the Republic of Indonesia, respectively, as well as other pertinent cultural activities.

IV. Planning and Cultural Development

8. Considering that the top priority of developing countries is the eradication of poverty, and stressing the important role of a culture sensitive process of development, the Ministers recommended that their Member States:

i. Include cultural matters in their development plans and programs, recognizing the cultural dimension of development and cultural rights as essential concepts.

ii. Adopt appropriate actions to achieve economic and social development in a way that preserves cultural heritage and cultural values.

iii. Encourage the introduction of legislation, where necessary, aimed at ensuring the respect for cultural rights.

iv. Conduct regular evaluations on the impact of culture on national development plans.

v. Foster artistic expression in all its forms, as well as other symbolic expressions, as a means of communication, exchange and participation, and as a free and prime expression of thought that builds peaceful coexistence.

vi. In this sense, recall that cultural policies should take into account both the creators and promoters of culture, while granting special treatment to those with disabilities, the elderly, children and youth.

vii. Create an enabling environment for women to play a prominent role in preserving and promoting cultural values and traditions, as well as in the economic, social and political decision-making processes.

viii. Design and implement programs to prevent and combat illicit use, production, trafficking and distribution of drugs, as they have a retrogressive effect on cultural cohesiveness.

9. The Ministers emphasized the role of cultural tourism as a vehicle of development and as a means of promoting awareness of cultural diversity. To that effect, they welcomed the initiative of Morocco, submitted to UNESCO, to expand the "Al Andalus Route" programme with a view to involve the

Maghreb Arab countries, on one hand, and Latin America and the Caribbean, on the other, in appraising and reviving the universal cultural heritage of Al-Andalus.

10. The Ministers emphasized that South-South cooperation on culture and related issues, including the impacts of globalization on culture, should be based on the conclusions of the Medellín Ministerial Meeting. In this connection, the Ministers welcomed the work initiated by the South Centre on globalization and its impact on the countries of the South. Such studies should devote appropriate attention to the cultural dimensions of globalization. The Non Aligned Movement can profit from such studies, and should welcome any working documents, including recommendations by the South Centre, in order to follow up actions on the subject of culture and globalization.

11. The Ministers emphasized the need to facilitate access to communication and information technology, in order to promote regional and local cultural products, which may be broadcast and transmitted via horizontal networks and channels, and thus offsetting the stereotyped and incorrect perspectives about the cultures and values of NAM Countries.

V. Institutional and Related Aspects

12. The Ministers noted with appreciation the proposal submitted by Egypt to establish a Cultural Centre for NAM in Cairo, to promote cultural cooperation and NAM cultural products. The Centre is proposed to include a large library, a data base, exhibits of NAM plastic arts, and folk arts. It would also facilitate periodical exchanges of artists and writers in NAM cultural festivals. Egypt will provide the suitable premises, equipment and manpower. Egypt will circulate the project proposal for the establishment of the Centre to the Member States for comments and recommendations.

13. The Ministers also noted with appreciation the proposal submitted by Colombia to establish in Medellín a NAM Research Centre on Culture. Colombia will provide human and logistic support for the project. The proposal will be circulated to Member States for comments and recommendations.

14. The Ministers welcomed the proposal made by Colombia to hold a Meeting of Children and Youth from Non-Aligned Countries on the issue of

cultural policies on children and youth, in 1999. Colombia will convene a preparatory meeting for such purpose, in 1998.

15. The Ministers agreed that governments should work together to secure both financial resources and technical assistance, from Member Countries and international institutions, for the accomplishment of the recommendations contained in this Plan of Action.

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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: special economic assistance to individual countries or regions

Assistance for the reconstruction and development of El Salvador

Report of the Secretary-General

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I. INTRODUCTION

1. This report has been submitted in compliance with General Assembly resolution 50/58 C of 12 December 1995, by which the General Assembly, inter alia, decided to consider the question of assistance for the reconstruction and development of El Salvador at its fifty-second session.

2. More than five years have elapsed since the signing of the peace agreements between the Government of El Salvador and the Frente Farabundo Martí para la Liberación Nacional (FMLN) in January 1992. The objective of the agreements was to put an end to the conflict, ensure the transition to peace and establish the foundation for a democratic transition process. Following the signing of the agreements, various activities linked to the process of reconstruction, the demobilization of former combatants and the strengthening of democratic institutions were carried out.

3. The effort to consolidate peace is proceeding within a complex context linking reconstruction and development with reconciliation and participation in the democratic process. A lasting peace requires sustained economic growth fostered by a modern State structure which guarantees equity in the provision of basic services and embraces the transformations achieved by democratic institutions. This report, which should be read in conjunction with the assessment of the peace process in El Salvador submitted to the General Assembly on 1 July 1997 (A/51/917), presents a three-part analysis of the efforts of the United Nations system to promote the consolidation of peace, reconstruction and development: (a) the economic situation in 1995-1996, the outlook for 1997 and the economic and social development plan; (b) advances in reconstruction and the strengthening of democratic institutions; and (c) prospects for national reconstruction and the strengthening of democracy.

II. ECONOMIC SITUATION IN 1995-1996, ECONOMIC OUTLOOK FOR 1997 AND ECONOMIC AND SOCIAL DEVELOPMENT PLAN FOR 1994-1999

A. Economic situation in 1995-1996 and economic outlook for 1997

4. Economic growth averaged 6 per cent from 1992 to 1995 and stood at 3 per cent in 1996. The decline may be explained by slower growth in the agricultural and livestock, commerce and industrial sectors. The share of the agricultural and livestock sector in gross domestic product (GDP) declined from 17 per cent in 1990 to 13.4 per cent in 1996. Despite significant economic growth, poverty levels in El Salvador, estimated at 49 per cent during the past year, have remained high.

5. Inflation in 1992 stood at 20 per cent. It has gradually fallen since then, although it rose in 1995, then dropped to 7.4 per cent in 1996. The 1995 upsurge was attributable to the rise in the value-added tax (VAT), the impact of credit expansion on external accounts and the increase in prices for various services. Lower tax revenues resulting from tariff reductions and the need for resources to finance various programmes under the peace agreements led to an increase in VAT from 10 per cent to 13 per cent.

6. Domestic savings rose, reflecting the increased confidence of economic agents in investments in financial instruments. Irregularities in some financial institutions undermined that confidence, affecting a substantial number of investors. The non-financial public-sector deficit as a proportion of GDP declined from 6 per cent in 1992 to 0.9 per cent in 1995. During 1996, receipts declined, government expenditure increased and the deficit rose to 2 per cent of GDP.

7. The trade deficit rose from US$ 818 million in 1992 to US$ 1,848 million in 1995, and fell to US$ 1,623 million in 1996. Exports registered a welcome increase from US$ 763 million in 1992 to US$ 1,813 million in 1996. Family remittances rose from US$ 543 million in 1992 to US$ 1,143 million in 1996. Official grants, which averaged US$ 233 million between 1992 and 1994, dropped substantially in 1996 to US$ 60 million.

8. Net transfers financed part of the foreign trade deficit and allowed for a gradual increase in net international reserves. In December 1996, these reserves amounted to US$ 1,100 million, which was sufficient to cover imports for more than 3.2 months.

9. The 1997 monetary and financial programme establishes a target rate of 4-to-5-per-cent economic growth and 5-to-7-per-cent inflation. The aim is to increase net international reserves by US$ 100 million and increase exports by 35 per cent with an estimated trade deficit of US$ 1,568 million. Deficit financing will continue to be supported mainly by grants, loans and family remittances.

10. Regular savings would rise to 4.6 per cent of the gross domestic product (GDP), enabling the Government to devote more funds to infrastructure, local development and investment in human capital. The objective is to expand credit to the private sector at the same rate as in 1996 (14 per cent). The budget approved for 1997 reflects restraint as opposed to the previous budget, which provided for considerable increases and had an impact on private-sector credit.

B. Economic and social development plan for 1994-1999

11. The principal goal of the development plan is to promote the country's competitiveness in order to ensure a sustained growth rate and make it possible to raise living standards. In the macroeconomic sphere, the reforms are concentrated on trade, exchange and fiscal policies. In the social sector, human development and human well-being and advancement are being favoured.

12. In response to the economic slowdown, private entrepreneurs of the National Private Enterprise Association submitted a set of proposals in July 1996 for meeting three major challenges. The first is to achieve growth through domestic savings and continued fiscal discipline. The second challenge is to undertake social expenditure that is also fiscally responsible, and here the public sector must assume the appropriate subsidiary role by supporting private initiatives and fostering a healthy competition for the available funds. The third challenge is to make strides in democratic governance.

13. In response to the recession in the agricultural and livestock sector, the Government adopted an emergency plan that would support a thoroughgoing revitalization of the sector. In June 1997, President Armando Calderón Sol appointed a commission to propose criteria for drawing up a concerted national development plan, since most analysts warn that the growth of El Salvador's economy is precarious and not sustainable in the long term.

14. In the next few months, the Government's main task will be to determine the future course of the privatization process, of the public-sector modernization programme, of debt cancellation in the agricultural and livestock sector and of the reform of the financial system.

III. ADVANCES IN RECONSTRUCTION AND THE STRENGTHENING OF DEMOCRATIC INSTITUTIONS

A. Financial requirements and response from the international community

15. Since the signing of the peace agreements, the Consultative Group has held three meetings. The Government submitted its priority requirements in three areas: (a) the national reconstruction plan; (b) the supplementary programmes for implementation of the peace agreements, which cover democratic institutions; and (c) the economic and social development plan.

16. The external funding requirement for 1992-1996 was for US$ 1,566 million. At the beginning of 1994, it was established that pledges of assistance amounted to US$ 994.3 million (including pledges made before the national reconstruction plan had been completed): US$ 537.4 million in grants and US$ 456.9 million in loans. At the last meeting of the Consultative Group (in 1995), the donors confirmed or announced pledges in the amount of US$ 108.5 million for projects relating to the peace agreements (US$ 58.5 million represented donations and US$ 50 million, loans).

17. At the 1995 meeting, requests were submitted for technical cooperation in the consolidation of the peace process. Projects were prepared with the support of the United Nations Development Programme (UNDP), other United Nations agencies and the United Nations Observer Mission in El Salvador (ONUSAL). Thus far, 41 technical assistance projects have been drawn up, totalling US$ 107 million. Twenty-seven of these, amounting to US$ 38.5 million, are under way.

18. Since 1992, the international community has funded various requests for cooperation. Bilaterally, contributions have been made by Austria, Australia, Canada, Denmark, France, Germany, Israel, Italy, Japan, Mexico, the Netherlands, Norway, Spain, Sweden, Switzerland, Taiwan province of China, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The following multilateral bodies have allocated resources: the Inter-American Development Bank (IDB), the International Bank for Reconstruction and Development (IBRD), the European Union (EU), the Central American Bank for Economic Integration (CABEI) and United Nations organizations. Several countries have provided the services of specialized personnel to help with the training and travel of new officers of the National Civil Police.

19. The United States has approved US$ 276 million for national reconstruction and the strengthening of democratic institutions. Other major contributions have been made by Japan (US$ 207 million), the European Union (US$ 196 million), IDB (US$ 167 million), Germany (US$ 29 million), the Nordic countries (US$ 26 million) and Spain (US$ 17 million).

20. Non-governmental organizations have also helped implement the national reconstruction plan, sometimes by providing funding of their own; these have included Catholic Relief Services (CRS), CARE, Radda Barner and Diaconía. More than 130 Salvadoran non-governmental organizations have helped to carry out the national reconstruction plan and other activities related to the peace process.

21. The United Nations has played an essential role by facilitating the negotiations that led to the agreements and by later monitoring them. UNDP took the lead in working with donors to coordinate assistance, thus acting effectively to help resolve problems of formulation and implementation.

22. There has been a decline in the funding obtained for the consolidation of peace since 1995. According to a report prepared by UNDP on technical and financial cooperation for El Salvador for the period 1992-1997, there has been a downward trend in cooperation. Assistance given in the period 1992-1996 came to 84 per cent of the funds available in the period 1987-1991.

23. There have been considerable advances in national reconstruction and the strengthening of democratic institutions, but domestic efforts still need to be supplemented by external cooperation. Without such cooperation, it is not likely that further progress will be made in economic growth and poverty reduction, or that democracy, reconstruction and sustainable democratic institutions will be strengthened.

B. Progress and implementation of programmes and projects

24. Pursuant to the peace agreements, priorities have been set and various projects formulated with the aim of: (a) achieving the economic and social reintegration of former combatants and demobilized members of the armed forces; (b) attending to the economic and social needs of the communities most affected by the conflict and improving the living conditions of the poorest groups; (c) consolidating democratic institutions; and (d) promoting legal and constitutional reform.

25. A number of donors have outlined a common agenda to coordinate their assistance. The focus has been on projects to strengthen new democratic institutions such as the Office of the National Counsel for the Defence of Human Rights, the National Civil Police and the National Public Security Academy; to support the electoral process; to implement reforms aimed at improving the administration of justice; to reintegrate former combatants and demobilized members of the armed forces; to assist the Fund for the Protection of the Wounded and War-Disabled as a Consequence of the Armed Conflict; and to support policies concerning compliance with the agreements.

26. Below is a progress report on the main programmes for reconstruction and the strengthening of democratic institutions, to round out the information

submitted at previous sessions of the General Assembly. In the period 1995-1997, the course of several projects was impeded because of limited resources; delays in the disbursement of internal and external funding; lack of continuity; lags in the progress of other initiatives on which a number of projects depend; and the specific nature of this process, for which there were no antecedents that might have facilitated rapid decisions.

1. Economic and social reintegration of former combatants of the Frente Farabundo Martí para la Liberación Nacional (FMLN) and of demobilized members of the armed forces of El Salvador and assistance to landholders

27. Reintegration remains one of the most complex aspects of the agreements, owing to the strategic criteria which must take precedence when planning the various programmes and projects. The sustainability of any such programme is closely linked to broader questions such as alleviating poverty, job creation and social integration. Land use and tenure, access to credit and technical assistance must also be linked to the development of productive and social infrastructure.

(a) Rural reintegration

28. The rural reintegration programme included providing access to land, credit, technical assistance and farm equipment. It later included basic shelter and in some cases led to incremental building.

29. The Land Transfer Programme has been one of the most difficult to implement, and various modifications have been made in order to speed up the process. Some of the problems are: (a) problems of a legal nature such as land registration, missing titles, taxes, inheritance formalities and the legal category of 'pro indiviso' under which property is transferred to groups of beneficiaries rather than to individuals; and (b) administrative problems such as staff turnover in the various institutions, delays in payments to former owners and changes to lists of beneficiaries.

30. As the Programme advanced, the coordination mechanisms became more complex and technical assistance increased. Despite the progress made, there is still a backlog in re-registering properties that were transferred with unresolved legal problems. As at April 1997 US$ 105 million had been invested in the programme and 34,691 persons (26,739 FMLN and landholders and 7,952 armed forces) had taken advantage of the Programme.

31. The transfer of land in excess of the constitutional limit (245 hectares) is one of the areas where the least progress has been made. Of the 452 potential properties submitted to the Government, 103 had been transferred to the beneficiaries by the end of 1995. Of the 33 disputed cases, 32 have not yet been resolved, and a further 57 cases have been submitted to the United Nations for review.

32. During the last two years, the beneficiaries of the Programme received less technical assistance and training. In the 1994-1995 farm year, the National Centre for Agricultural and Forests Technology (CENTA) provided agricultural

assistance to 11,007 beneficiaries in 418 properties. The projects in the Paracentral region (PRODAP) and in Chalatenango (PROCHALATE) and the European Union project department of Usulután continued to provide assistance to the Programme's beneficiaries. In the 1995-1996 farm year, training provided by various sources dropped 35 per cent owing to the beneficiaries low rate of occupancy on the transferred properties, inadequate housing conditions and, in many cases, the limited existing infrastructure.

33. In response to a request addressed to the Secretary-General, the United Nations Development Programme (UNDP), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Mission in El Salvador (MINUSAL) developed a programme which: (a) evaluated the economic potential of the Programme on the basis of a diagnostic study, and a quantitative assessment of the future impact of the obligations (debts) assumed by beneficiaries; and (b) made strategic proposals and presented a global programme for economic and social integration. It was submitted to the Government and to representatives of the beneficiaries at the end of 1996, but there has as yet been no agreement on implementation.

34. Eight surveys of former combatants carried out from June 1993 to January 1996 have shown that 25 per cent of trained former combatants and only 20 per cent of landholders were working in the occupation for which they had been trained. Such low percentages are attributable mainly to the lack of employment opportunities in the fields for which those individuals were trained, as well as to their generally low skill level.

35. Loan programmes for Programme beneficiaries have had a series of problems such as: (a) misuse of funds; (b) a low rate of repayment; (c) the perception that funds provided from foreign sources are donations and "do not have to be repaid"; (d) low land productivity and lack of experience in agricultural work; (e) drought followed by excessive rain during the harvest season; (f) the beneficiaries' relatively high level of indebtedness (production loans, housing construction and investment in new property).

36. In order to guarantee the minimum conditions necessary for the new farmers and their families to settle on the transferred lands, housing projects were carried out as part of a series of initiatives which benefited approximately 11,000 families. Despite such efforts, approximately 65 per cent of the land programme beneficiaries still lack housing and basic services. For 1996-1998 UNDP, using funds from the Nordic countries, is helping build 3,350 incremental housing units and the European Union is continuing its Usulatán programme (6,000 beneficiaries in 1994-1997) and hopes to build 2,430 units with funds from Germany.

37. One problem area in implementing the peace agreements is human settlements. In August 1995 the Government and the FMLN signed a document providing for the transfer of properties to the community. Those settlements are made up of communities of returnees in the northern zone of the country (Chalatenango, Cabañas and Morazán). The boundaries of each settlement have now been defined and a census has listed a total of 1,104 housing units built on 207 adjacent properties belonging to 165 owners. The other housing units are built on land already acquired by the community or the beneficiaries, who must be supported in their efforts to obtain title to the land. Unfortunately there has been no

significant progress in agreements where the Government is responsible for the functioning and operation of the social infrastructure. There are also delays in developing legal procedures for the transfer of production infrastructure.

(b) Urban reintegration

38. Urban reintegration includes three projects: (a) vocational and administrative/entrepreneurial training; (b) credit for the establishment of micro-enterprises and for technical assistance; and (c) scholarships. The programme began with administrative/entrepreneurial and technical vocational training for 1,685 beneficiaries from the FMLN and 3,097 from the armed forces, with 1,328 former FMLN combatants and 2,885 demobilized members of the armed forces completing their training.

39. At the end of 1995 loans were granted to 1,113 beneficiaries from the FMLN and 1,867 from the armed forces, who received technical advice in developing their project. Delays in training and the extending of credit led some beneficiaries to drop out. The owners of these micro-enterprises requested, but did not obtain, technical assistance and/or additional training and the refinancing of their loans.

40. The support programme for the reintegration of 600 leaders and middle-ranking members of FMLN ended in August 1995; however, technical assistance continued to be provided until December 1995. Four hundred eighty-one persons received loans. Housing is being provided for this group using US$ 3.4 million from the Social Fund for Housing. As at December 1996, 197 persons had received funds, of whom 59 had legal title to their homes.

41. The scholarship programme was designed to meet the need for diversified baccalaureate studies, technological training and university education. Six hundred ninety-nine former FMLN members, 441 demobilized members of the armed forces and 532 demobilized members of the National Police were expected to take advantage of the programme. The scholarships provide for their education at the centre of their choice and pay for their living expenses, transport, tuition and books. Only 415 members of the FMLN have enrolled in university academic upgrading courses. As at December 1996, the programme had 832 recipients, 31 had dropped out and 168 scholarships had been suspended. The programme is funded by a grant of US$ 14 million from the United States Agency for International Development (USAID) and from Germany, and will end in December 1998.

42. The project for former combatant minors from the FMLN has enrolled 152 minors in educational centres and provided technical training to 97. This programme has not obtained the desired results, since only one former combatant minor has finished his studies and not one has enrolled formally in the training programme. One of the factors affecting this programme has been the limited specialized support available.

(c) Care for the war-disabled

43. The Fund for the Protection of the Wounded and War-Disabled began to pay out pensions and compensation in February 1995; pensions were made retroactive to November 1994 for the totally disabled, and to January 1995 for the partially

disabled. The Fund diagnosed 11,763 disabled persons, of whom 10,454 have received monetary benefits (pensions and compensation).

44. In September 1995, the process of validating the documentation of elderly parents and minor children of deceased combatants was begun in order to start granting benefits. Over 10,000 applicants were processed; monetary benefits were provided to 4,568 of them, including 1,324 children under the age of 18.

45. On 30 April 1997, in order to streamline the processes of legalization of the documentation of relatives of the war dead, the Legislative Assembly approved a transitional law to waive certification of the death certificates of combatants who died as a result of the armed conflict. Unfortunately the provision which was approved does not succeed in streamlining the process because it does not sufficiently simplify the complex, time-consuming and costly bureaucratic procedures to which the relatives will still be subjected in order to obtain the necessary documents.

2. Assistance to communities affected by the conflict

46. In the 115 municipalities covered by the National Reconstruction Plan which were identified as having been most seriously affected by the conflict, social and production programmes designed to help meet the economic and social needs of poor communities were carried out; these communities benefited from initiatives for agricultural development, social infrastructure, training and technical assistance, credit, establishment of micro-enterprises, social development and environmental management.

47. The Secretariat for National Reconstruction, which was established to coordinate the National Construction Plan and merged in 1996 with the Social Investment Fund, focused its efforts on the demobilization process and, in 1993, embarked on the medium-term phase, involving the incorporation of projects having a greater impact on the productive and social reintegration of former combatants and demobilized persons. The Secretariat promoted production, infrastructure and capital investment projects in the areas of education, health, environmental protection and municipal development.

48. The Secretariat's main programmes were: Municipalities in Action, the Special Urban Emergency Programme and the National Reconstruction Plan. The Municipalities in Action programme was executed directly by the municipalities, using local labour. The municipalities included in the Plan were provided with basic infrastructure through Municipalities in Action, support for reintegration into productive activity, logistic support for lands and a food distribution programme.

49. The Social Investment Fund is concerned with reconstruction and the improvement of living conditions, and its assistance is directed towards poor communities including those affected by the conflict. By the end of 1996 the Fund had approved some 6,589 projects, mainly small infrastructure projects, for a total amount of US$ 133.5 million. Some 57 per cent of the funds approved were allocated to education programmes, including the construction and repair of schools, nurseries and homes, capital investment and training; and about 27 per cent to health programmes, including construction of and capital

investment in, clinics and medical centres and the provision of drinking water, sewers, latrines and nutrition. The rest was divided between forestry, markets and irrigation programmes.

50. From July 1995 onwards, various United Nations agencies continued to provide assistance. The Office of the United Nations High Commissioner for Refugees (UNHCR) participated in assistance to communities uprooted by the conflict and in the final phase of the identity papers project. FAO is carrying out a technical assistance project for small-scale farmers (affected by the conflict) in the departments of Cabañas, northern Usulután and Morazán, in order to improve production systems and develop alternative types of production in areas with severe environmental deterioration. The United Nations Children's Fund (UNICEF) is implementing a programme of basic services in 39 municipalities (50,000 beneficiaries) in the departments of Cabañas, San Vicente and Usulután. The programme includes activities in the areas of health, education, water and sanitation, nutrition, children in especially difficult circumstances and decentralization.

51. The agricultural development project for small farmers in the Paracentral region (PRODAP), financed by the International Fund for Agricultural Development (IFAD), UNDP and the Central American Bank for Economic Integration (CABEI), is intended to improve living conditions for 5,000 low-income families in rural areas in the departments of Cabañas and San Vicente through capital development and training in agricultural production, agroindustry and marketing. The World Food Programme (WFP) is supporting this project through food aid to promote soil conservation, environmental protection, crop diversification and the upgrading of housing and roads. Continuing its contribution to the reconstruction process, WFP approved the extension of the project to April 1996, using 2,000 metric tons of food and contributions worth more than US$ 1.2 million, to benefit over 60,000 families of impoverished small farmers living in National Reconstruction Plan communities.

52. In 1995, the development project for communities affected by the conflict in the department of Chalatenango (PROCHALATE) was launched; this project seeks to bring about integrated development in the communities affected by the conflict, and is benefiting some 11,000 small farmers and small businessmen. This initiative is being financed by IFAD, the European Union and the United Nations Development Fund for Women (UNIFEM).

53. The Culture of Peace Programme was developed with technical assistance from the United Nations Educational, Scientific and Cultural Organization (UNESCO) to contribute to the reconciliation process. The aim is to incorporate the culture of peace into the learning and education processes by going beyond the mere transmission of knowledge. To date, seven project documents have been drawn up by the Government of El Salvador, non-governmental organizations and UNESCO.

54. In mid-1996, the United Nations agencies in El Salvador and the Government established a sustainable human development programme for the northern part of the country in order to assist in formulating and implementing national policies to promote and channel investments towards this geographical area. The planning of the programme was initiated with local governments, non-governmental organizations, community representatives, agencies of the central Government and other partners. The first projects were begun in mid-1997.

3. Major infrastructure

55. Between July 1995 and June 1997, external cooperation sources approved US$ 269 million, of which IDB provided about 61 per cent, CABEI about 25 per cent, and IBRD about 9.4 per cent. These bodies have the highest level of participation in efforts to implement projects on widening, repair and upgrading of highways and roads, reconstruction of the transport sector, road signs, road crossings and bridge construction. Of the amount approved, US$ 161.15 million was paid out during the period concerned.

56. USAID continued to finance the rehabilitation of small-scale local infrastructure through the Secretariat for National Reconstruction in the National Reconstruction Plan municipalities. Over the past six years over 2,600 projects were financed, particularly on road improvement, repair of schools and rural electrification.

4. Strengthening of democracy

(a) Judicial system

57. The peace agreements laid the foundations for a broad process of full-scale reform in the administration of justice. As part of the support from USAID, a training programme was developed for the Public Prosecutor's Office, consisting of the Attorney-General's Office and the Office of the Chief State Counsel. The Attorney-General's Office is being provided with training and technical assistance to improve its performance in the courts. The recently ratified reforms provided a definition of the Office's work and the cooperative role to be played by the National Civil Police in criminal investigation procedures. With the promulgation of new codes and laws, the Office of the Chief State Counsel increased its activities through the use of public defenders, given that judges of the first instance and justices of the peace are required to provide a defence attorney immediately to any detainee who does not have a lawyer.

58. Despite the efforts made to improve the administration of justice, there are still shortcomings, especially in relation to the processing of criminal trials, since many prisoners are being held without sentencing; this situation led the Supreme Court of Justice to establish a specialized department to accelerate the judicial proceedings for these detainees.

59. For purposes of capacity-building in this sector, UNDP, with contributions from the Netherlands and Sweden, implemented four new projects beginning in 1996. The first focuses on the training of prosecutors in techniques for investigating offences attributable to organized crime or to political motives, and of public defenders and justices of the peace in the future criminal code and other areas. Another project involved the elaboration of a diagnostic study of the Judicial Training School and the proposal of a comprehensive training strategy and a new programme of comprehensive training for members of the legal profession, the Public Prosecutor's Office, defenders and trial lawyers. A third project is related to the dissemination of the criminal code and of human rights among the deputies of the Legislative Assembly and lawyers' associations.

Under the fourth project, a programme will be implemented to support the opening of the penitentiary school.

60. With resources provided by Spain, UNDP has launched other projects which follow the strategic guidelines for consolidating the peace process and democratic governance. These initiatives involve assistance for magistrates' courts and public defenders and a legal education programme for the general public.

61. In late 1996, a $25-million loan from the Inter-American Development Bank (IDB) was used to launch a project for the strengthening of planning units in the institutions of the judicial system, development of a criminal policy, studies on organization and administration, creation of new laws, relating especially to alternative forms of conflict resolution, and institutional and sectoral strengthening in the area of youth.

(b) The electoral process

62. The elections of March 1994 represented a step forward in the strengthening of democracy but demonstrated the urgent need to modernize the electoral system. Despite the external support provided, this process had structural irregularities which affected its credibility, with the result that the major political parties agreed to develop electoral reforms. On three occasions the United Nations was invited by the Government to undertake election-related missions; in 1995, it recommended changes or reforms to the registry of civil status, the registry of identity and the registry of voters, as well as the implementation of residential voting.

63. In November 1994, the President of the Republic established a commission which recommended the creation of a registry of citizens and of a single identity document, the implementation of residential voting, proportional representation on municipal councils and reforms of the administrative apparatus of the electoral system. In August and September 1995, the following preliminary drafts were submitted to the Legislative Assembly: (a) the law establishing the National Registry of Natural Persons, the entity responsible for developing a single identity document, from which the new registry of voters will be derived; and (b) reforms of the electoral code to include residential voting and administrative reforms of the Supreme Electoral Tribunal. In October 1995, the Legislative Assembly approved the establishment of the National Registry of Natural Persons and, in December, its Organizational Act, which has not yet been implemented.

64. For the March 1997 elections, the Supreme Electoral Tribunal designed a plan for solving voter registration problems. Although the number of registered voters increased in relation to 1994, the number of persons excluded from the registry remains high, as does the number of persons who are registered but do not have voter registration cards. This situation affects half a million people of voting age. The reliability of the registry of voters is limited and open to question because of the failure to screen its content and because of the number of citizens whose registration was not backed up by a birth certificate.

65. During the 1997 elections, several reforms of the electoral code were adopted which tended to benefit certain political actors. This generated

insecurity in the process and introduced factors which made the electoral race less equitable. The events surrounding the recent elections caused a growing distrust among the population, and voter turnout fell short of expectations. A high degree of civic and electoral apathy and non-participation was noted.

(c) Public security

66. Since 1992, a number of bilateral and multilateral organizations have provided resources to furnish the National Public Security Academy and the National Civil Police with equipment, basic materials and uniforms and to assist their deployment. In addition, technical assistance has been provided through the participation of international consultants and instructors in the basic training of new police personnel at various levels and in the provision of specialized training and consultancy services to the administrative authorities of those institutions. Brazil, Chile, the European Union, France, Mexico, Norway, Spain, Sweden, the United States (International Criminal Investigative Training and Assistance Programme (ICITAP)), the United Nations Observer Mission in El Salvador/United Nations Mission in El Salvador (ONUSAL/MINUSAL) and UNDP have made technical and financial contributions to establish, guarantee and strengthen the functioning of the National Civil Police and the Academy.

67. Since 1995, UNDP and MINUSAL/United Nations Office of Verification in El Salvador (ONUV) have developed mechanisms to coordinate and harmonize cooperation in this sector. Over the past two years, external assistance to the National Civil Police and the Academy was maintained and extended to the National Public Security Council and the Office of the Inspector-General of the National Civil Police.

68. The United States has continued to provide assistance in three major areas: (a) assistance for the development of the Academy, (b) cooperation for the development of the National Civil Police and (c) cooperation in the organization and strengthening of the criminal investigation division of the National Civil Police. In 1995, the European Union signed cooperation agreements with the National Civil Police and the Academy to finance the services of experts, to train personnel in each institution and upgrade their knowledge, to develop infrastructure and to provide equipment.

69. The Government of Sweden increased its aid to the National Civil Police to support the strengthening of regulatory and control bodies, and approved a project to strengthen the Academy in the areas of specialization and academic admissions. Mexico is co-financing the Academy's modular training initiative, which provides instruction at the agents' duty stations. France has provided cooperation to improve criminal investigation procedures and strengthen preventive surveillance, provided advisory services for anti-drug efforts and cooperated in the training of personnel of the Office of the Inspector-General of the National Civil Police and in the training of the riot prevention unit of the National Civil Police.

70. In 1996, with funds from Spain, UNDP expanded cooperation in this sector, approving an assistance project for the National Public Security Council under which specialized technical resources are provided to ensure the Council's full functioning and the implementation of the primary tasks which it was established to carry out.

71. In 1996-1997, a diagnostic study was prepared on the managerial capacity of the National Civil Police and the Academy. This effort, which was promoted by UNDP, identified priorities for strengthening managerial capacities and yielded information which will make it possible to put forward sound technical and operational proposals to overcome various deficiencies, in particular the dysfunctional relations between the National Civil Police and the Academy.

72. In addition to the presence of Spanish and North American instructors, since June 1995 the Governments of Norway, Sweden and Brazil have approved the presence of instructors for 70 person-months, 105 person-months and 12 person-months, respectively.

(d) Human rights

73. The energies of the Office of the National Counsel for the Defence of Human Rights have been focused on three areas: (a) verification of events or situations that might constitute violations of human rights, (b) technical institution-building for the supervision and control of legality in the public administration and (c) human rights promotion and education. Australia, Canada, Denmark, Netherlands, Norway, Sweden, the European Union and the United Nations (ONUSAL, UNDP and UNICEF) have provided technical and financial assistance for the Office's functioning and for the development of its managerial capacity.

74. The chief technical challenge facing the Office of the National Counsel has been the need to establish non-judicial procedures for the protection of human rights. Projects financed by various donors have resulted in the provision of specialized human resources to advance this process of doctrinal development, which is unprecedented in Central America owing to the broad spectrum of rights for which various protection procedures have been designed.

75. A central element of the strategy of the cooperation provided to the Office of the National Counsel is related to the institutionalization of the legal procedures which have been devised, through the preparation of regulatory documents and handbooks, the design of an information management system for complaints, human resources training and collaboration in fine-tuning the dynamics of the Office's organizational structure. Technical cooperation also resulted in the provision of some equipment and the training of personnel in the departmental branches and strengthened the Office's presence at the local and regional levels, in addition to consolidating the legal system for supervision and investigation.

76. The project on strengthening the observation, monitoring, analysis and investigation techniques of the Office of the National Counsel for the Defence of Human Rights, financed by the Nordic countries and the Netherlands, has strengthened the Office's technical and advocacy skills. During 1996-1997, the project has been reinforcing the Office's technical and administrative management capacity in human rights protection and is creating administrative, management and operational structures for the non-jurisdictional control of the legality of governmental actions. It provides assistance in designing appropriate organic structures for the associate offices to carry out their functions; in implementing the programmes, procedures and methods for the protection of the rights of the child, women and older persons, and of the environment; and in organizing departmental delegations, with an emphasis on

field work programmes and staff structure and on establishing an effective, decentralized decision-making process.

77. In the field of human rights training and dissemination, the Office is continuing its dynamic and effective work, supported by various non-governmental organizations, the European Union and UNDP. A recently approved supplementary contribution from Canada is designed to strengthen the Office's local operational and travel capacity as a complement to the institution's own efforts.

78. Together with the consolidation of the monitoring and management system, the Office must make progress in other areas, such as the following: developing machinery for the protection of economic, social and cultural rights; strengthening its departmental branch offices and associated offices; and monitoring the legality of the activities of the National Civil Police and its own cooperation with the latter. The mechanism of public censorship and available legal remedies must be used more effectively in order to defend human rights within the framework of justice as provided for under the constitution. The Office also needs to establish closer ties with non-governmental human rights organizations.

IV. PROSPECTS FOR NATIONAL RECONSTRUCTION AND THE STRENGTHENING OF DEMOCRACY

79. The implementation of the peace agreements has laid the foundations for a new type of social coexistence in which the rule of law prevails. The Government and civil institutions should take on these commitments as part of a standing agenda, ensuring that their development policies recognize the spirit of the peace agreements, respond to the results of these agreements and guarantee that the process spreads to all levels. Development policies and the consolidation of the peace process should complement each other instead of being mutually exclusive.

80. The implementation of programmes on the reintegration of former combatants does not in itself ensure sustainability if short-term approaches are favoured. Sustainability requires a real shift in the strategies devised to serve these beneficiaries.

81. From the beginning, the reintegration projects have been plagued by administrative, financial and even political delays. Agricultural reintegration has experienced the most setbacks. Crucial aspects have not yet been resolved, including land transfer, investment credits, improving the economic and social infrastructure and countering the lack of housing and basic services. The reintegration programmes in industry and services provide only limited training and credits for former combatants. Except those involved in the programmes for leaders and mid-level FMLN officers, the rest have not received any steady guidance, have had no access to monitoring and advisory assistance and have received no help in consolidating businesses.

82. Priority must be given to actions which ensure the operation of democratic institutions in the spirit in which they were created or reformed. Political backing and technical and financial assistance are needed for the public

security agencies (National Civil Police, National Public Security Academy), the Office of the National Counsel for the Defence of Human Rights, the institutions of the judicial branch and the various election-related bodies. Although progress has been made, these institutions still require more to be done to strengthen the security model, to implement electoral reforms and to enhance the credibility of the system for the administration of justice.

83. With the launching of the Fund for the Protection of the Wounded and War-Disabled in 1995, progress was made in certifying 11,763 persons as disabled and in granting compensation and pensions. The complex process of document legalization is preventing over 14,000 beneficiaries (family members of the war-wounded) from gaining immediate access to the resources to which they are entitled by law.

84. The country could be severely affected by a change in the residency situation of Salvadoran citizens in the United States of America, since their "temporary resident" status expires in 1997. If a mass emigration were to occur, it would have an economic and social impact; in the economic sphere, for example, it would decrease family remittances and create greater competition on the job market.

85. The need for external cooperation still exists; without it there is little likelihood of consolidating the peace process and guaranteeing democratic governance. Donors responded generously to the request for the funding of projects related to major infrastructure, the improvement of social services and compensation. However, on a number of occasions the response fell short of the amount required to complete other programmes. The main projects that still require funding include those on democratic institutions and productive and social reintegration. I should like to take this opportunity to call on the international community, which has contributed so much to the progress made in El Salvador since the signing of the peace agreements, to continue its political, technical and financial support for the complex process of rebuilding and developing the country.

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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: special economic assistance to individual countries or regions

Assistance for the reconstruction and development of Djibouti

Report of the Secretary-General

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 51/30 E of 5 December 1996 on assistance for the reconstruction and development of Djibouti. It provides a brief description of the progress made in the implementation of the resolution in Djibouti.

II. General situation

2. The Republic of Djibouti is strategically situated in the Horn of Africa at the juncture of the Red Sea and the Indian Ocean. It has a coastline of 370 kilometres and common borders with Eritrea in the north, Ethiopia in the west and south and Somalia in the south-east. The country covers an area of 23,000 square kilometres characterized by an arid climate and extremely limited water and agricultural potential. Annual rainfall averages only 130 millimetres and there is no significant food production.

3. The 1991 census gave an estimated population of 520,000. With an annual natural growth rate estimated at 3.1 per cent the population is projected to double in 22 years. In addition, there is a large refugee population from neighbouring countries, which has placed an enormous strain on the meager resources available. The total number of refugees and displaced persons is not known and estimates range from 100,000 to 150,000. The majority of Djiboutians are from the Afar and Somali ethnic tribes; the other groups are Yemeni Arabs and French nationals.

4. The population is mostly urban and is concentrated in the capital. The high urban concentration has led to many economic and social problems. In terms of human development, Djibouti is ranked, according the *Human Development Report 1997*, 162 among the 175 countries reviewed. According to that report, the adult literacy rate is no more than 45.5 per cent, while the life expectancy at birth is one of the lowest in the world (48 years). Women play an active role in the economy of Djibouti and constitute 32.2 per cent of the labour force. In the formal urban sector, women are employed mainly as clerical or administrative staff and in rural areas they play an important role in livestock raising.

5. Djibouti has a dual economy that is characterized by an important informal sector directed towards customers with a low purchasing power, and secondly, by a modern

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economy, based on a solid port and airport infrastructure, serving a population with high purchasing power but one that depends almost entirely on imports.

6. Djibouti enjoys one of the most liberal economic regimes in Africa. Its currency is freely convertible and there are no controls on capital movement.

7. Because of a lack of natural resources, the economy of Djibouti is based on services, a sector that contributes about 70 per cent of the country's gross domestic product, while the agricultural and industrial sectors remain very small. Djibouti enjoys a comparative advantage in the region thanks to its efficient port infrastructure, banking establishments, telecommunications facilities and, to a certain extent, the airport and the railroad link with Ethiopia.

8. Economic indicators for Djibouti have been declining in the past few years, mainly as a result of the high level of imports and the low level of exports. Djibouti has a structural trade deficit and its overall budget deficit is partially covered by external aid.

9. The real gross domestic product grew on average by 4 per cent over the period from 1988 to 1992. The growth was fuelled in part by a surge in the port activity and in part by the transit of massive food aid through the hinterland of Djibouti to Ethiopia and Somalia. The armed conflict in the north and south-west, which forced most of the country's development projects to a halt, combined with the socio-political situations prevailing in Ethiopia and Somalia, accelerated the deterioration of Djibouti's economy.

10. At the social level, living conditions are characterized by poor nutrition, resulting from low purchasing power, and poor health conditions, with widespread disease, including tuberculosis and human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), and inadequate educational facilities and limited qualified manpower. Above all, unemployment and urban population growth constitute critical problems, which are exacerbated by the numbers of refugees entering Djibouti from neighbouring countries.

11. According to available data, more than 40 per cent of health services are supplied to foreigners attracted by the proximity and the quality of Djibouti's hospitals and health centres. With the recent conflicts in the Horn of Africa, refugees (mostly from Ethiopia and Somalia) have increased the number of non-Djiboutians who benefit from the national health services. The health services are free for both nationals and refugees and with the increasing numbers of beneficiaries the health system can no longer provide adequate services to the population. Moreover, the armed conflicts in the north of the country have caused physical damage to the health infrastructures.

12. The national education system consists of six years of primary education, four years of lower secondary education and three years of secondary general education.

13. Djibouti's primary education is at present provided by a network of 64 public and 9 private schools. Out of the 35,000 children in primary schools in 1996/97, 32,000 were enrolled in public schools and 3,290 in private or Koranic schools. Student-teacher ratios in primary schools range from 34 to 43 students per teacher in the rural areas and at about 46 in the city. Student-classroom ratios range from 35 to 81 students per classroom and average about 65. Some schools with large numbers of students are forced to deal with the problem by holding double shifts, a practice that may have to be extended if the growing demand for more public education cannot be met by increased investment in more schools.

14. The employment situation is closely linked to the educational sector of the country. Each year, more than 4,000 young people have no access to a general secondary education or to any kind of professional training. They arrive on the labour market with no qualifications. The number is expected to grow within the next few years, particularly in the capital. The labour market is disproportionate because of the unbalanced structure of Djibouti's economy.

15. It is estimated that more than 80 per cent of enterprises are within the informal and semi-informal sector, including a large number of informal micro-enterprises, which play a key role in the economy of the country.

III. Overview of the current situation

16. The recent changes in the region — the collapse of the old regime in Ethiopia, the independence of Eritrea and the civil war in Somalia — have affected Djibouti, which in the past few years has also experienced its own internal strife between the Government and opposition groups.

17. The political negotiation initiated shortly after the multi-party presidential elections of April 1993 culminated in the official signature of a national Peace and Reconciliation Accord. The main provisions of that agreement further confirm the Government's willingness to associate all opposition groups in the democratization process.

18. In order to create an environment of peace and social stability, the Government has initiated a process of

demobilization of soldiers, whose numbers have increased from several thousand to 20,000. This process may take time to be completed, as opportunities to reintegrate the demobilized population into civilian life are not readily apparent and need to be explored in the overall context of the rehabilitation and reconstruction programmes.

19. The Government plans to provide each demobilized soldier with a financial allowance, which would facilitate the demobilization process. That would require a substantial amount of funding, which may not be available in view of the budget deficit spurred by the war effort and the decline in government revenues.

20. The impact of the conflict combined with a swelling civil wage bill have further depressed the country's financial situation. Faced with financial obligations far exceeding its capacity to fulfil, the Government has drawn heavily on the reserves of public enterprises, to the point of depletion. As that internal source of financing is diminishing, the volume of external aid, which had been significant, is now on a downward trend.

21. According to World Bank figures, the 1993 budget deficit stood at an alarming 12 per cent of the gross domestic product. Despite a slight improvement in 1994, the budget deficit is likely to widen as a direct result of a sustained decrease in fiscal and non-fiscal revenues brought about by mounting inflationary pressures spurred by excessive commercial borrowing. All that will culminate in less revenue collected, which in turn will make the reimbursement of cumulated arrears (estimated at 25 billion Djibouti francs in 1995) all the more problematic. A worsening current account position (10 per cent of the gross domestic product in 1993) compounds the overall situation of the economy.

22. The root causes of the aforementioned problems are in part structural and in part compounded by continuous inflows of refugees. The country's frail economy is able to absorb less than 60 per cent of the workforce and most of those employed earn only subsistence wages. Consequently, most Djiboutians are poor and poverty is on the rise owing to diminishing trade links with Ethiopia and Somalia.

23. The overall situation of the country is also characterized by insufficient pasture land and a high rate of livestock mortality. If there is no rainfall in the near future, the groundwater level will be reduced, resulting in a shortage of drinking water. Given the increasing influx of immigrants and refugees into Djibouti, the need for water resources is increasing. In the town of Djibouti, with 65 per cent of the total population, water sources in certain coastal areas have reached a high degree of salinity and imperil the agro-pastoral areas that were developed a few years ago. The drought is therefore not only the result of climatic change but is also structural, to the extent that it is aggravated by overexploitation and consumption of scarce water resources. The situation has been exacerbated by the internal conflicts and the resultant displacement of the rural populations, who are confined to remote areas with no pasture for their livestock.

24. With regard to social conditions, Djibouti is facing a serious health situation, with widely prevalent epidemic diseases. There are 3,000 new cases of tuberculosis every year and malaria is on the increase. Sexually transmitted diseases are also increasing, signalling a situation that is difficult to control. Malnutrition continues to be a major public health problem, in particular in the prevailing situation of economic crisis and pressures from refugees and displaced persons.

IV. Major issues

25. The situation in Djibouti has been adversely affected by the evolving critical situation in the Horn of Africa, the presence of tens of thousands of refugees and persons displaced from their countries, the extremes of local climate — cyclical droughts, torrential rains and floods, such as those which occurred in 1989 and 1994 — and the extremely limited financial capacity of the country to implement reconstruction and development programmes.

26. In addition, fighting between the Government and armed opposition groups in the north of the country resulted in a large displacement of the civilian population. It also resulted in the recruitment of over 12,000 soldiers who must now be demobilized and reintegrated into civilian life.

27. The Government of Djibouti has expressed a strong desire to press ahead with demobilization. The idea of demobilization stared in early 1994, when the Government announced that security problems were under control in the previously war-affected areas. So far, over 4,000 soldiers enlisted during the three-year conflict have been demobilized. Steps are being taken to demobilize the remaining 8,500 soldiers.

28. Although the Government has undertaken to pay separation grants for the demobilized soldiers, the demobilization process can only proceed with external support. Also given the need for a large reconstruction scheme, food aid would be an incentive for the former soldiers and displaced persons to participate in rehabilitation

activities involving the basic infrastructure, such as wells, health units and schools.

29. Djibouti has become a refugee hosting country. The increasing number of displaced persons and refugees, combined with the continuous flow of illegal immigrants in search of jobs and assistance, has become a matter of great concern to the Government.

30. Although there are no precise figures of the number of refugees, internally displaced persons and illegal immigrants, the Government believes that there are over 100,000 persons in need of assistance in the capital alone. It also claims that an equal number are affected by droughts.

31. Djibouti suffers from recurrent droughts. In 1994/95 the World Food Programme (WFP) provided 6,157 tons of emergency food aid for drought-affected people and animals. In 1996, 1,530 tons of emergency food aid was provided to drought victims under bilateral German agro-aid.

32. In 1997, WFP helped arrange a bilateral Swiss donation of 1,355 tons of rice, most of which was delivered to war-affected beneficiaries, including Djiboutian refugees who had been repatriated from Ethiopia in 1996. The remaining 25 per cent was given to refugee camp beneficiaries. Food requirements are met mostly through food imports, averaging some 60,000 tons of cereals annually. Djibouti's normal structural food aid requirement stands at about 18,000 tons. In 1996, WFP provided 4,200 tons of commodities, valued at about US$ 2 million, to Somali refugees and Ethiopian refugees from Somalia, and also to Djiboutian school children, orphans, hospital patients and participants in food-for-work schemes.

33. The health situation has immediate and long-term implications. The Government is providing medical services not only to its own people but also to a large number of refugees from Ethiopia and Somalia seeking free medical treatment in Djibouti. Those refugees often carry diseases, notably tuberculosis. The immediate need is thus to strengthen the country's capacity to address the problems of disease through immunization campaigns and provision of essential drugs. A longer-term solution must be found at the regional level to improve the health situation in neighbouring countries.

34. Djibouti's education is currently under pressure to meet the challenges of growing unemployment, a rising demand from a young population and a large influx of refugees.

35. With very high drop-out rates of about 10 per cent per annum for the last two grades of primary school and an estimated drop-out rate of over 30 per cent at the end of the primary cycle, it is not surprising that only about 27 per cent of those completing primary education gain a place in secondary school. This high level of attrition at a stage when continuing learning is both optimal and desirable represents, from an educational and manpower planning perspective, a wasted national opportunity to expand and strengthen the human resource pool for the enhancement of national productivity. Improvement in the overall quality of both primary and secondary education would require tackling the internal inefficiencies in the existing system and improving services in keeping with the nation's need for an educational content responsive to the changes occurring in the national market economy.

36. Technical and vocational education in Djibouti begins at the secondary-school level. Opportunities of a limited and very specific kind exist for some students to pursue professional training. Clearly, there is an ongoing need to give urgent attention to the issue of growing national unemployment, especially among school drop-outs and youths.

37. No active employment policies have been elaborated owing to the weak institutional capacity of the Ministry of Labour and Professional Training. The challenge, in terms of employment, is to be able to design a system that would target the unemployed according to the different categories: unskilled, school drop-outs, demobilized soldiers, refugees and women.

V. Role of the United Nations

38. One characteristic of the operational activities of the United Nations system in Djibouti is the sustained and close collaboration of all United Nations agencies present in the country with regard to their response to the growing social and economic problem of refugees. The refugee situation in Djibouti is affecting not only general security but also the health sector and sanitation. Djibouti's health infrastructure, although not fully developed, is accessible to all the local population. The influx of refugees from neighbouring countries affected by war, who are benefiting from the health services, has contributed to placing a heavy burden on the already weak public health infrastructure. The situation has also contributed to a deterioration of the environment and of the sanitation facilities in the country, in particular in the capital, and resulted in an outbreak of cholera in July 1993.

39. The organizations of the United Nations system present in Djibouti are developing activities related to

repatriation, food distribution and education, as part of the regrouping efforts to resettle refugees in camps.

40. Three months after the adoption of General Assembly resolution 50/58 F of 12 December 1995, the Administrator of the United Nations Development Programme (UNDP) undertook an official visit to Djibouti to discuss with both the national authorities and the donor community the reconstruction and rehabilitation needs of the country. A special ad hoc UNDP contribution has recently been translated into a fully approved project document for $428,000. The project seeks to address pressing rehabilitation needs through pilot activities in the three most affected areas of the country. It also aims at strengthening the capacity of the National Rehabilitation Committee in the design, implementation and monitoring of a coherent and well articulated national programme of rehabilitation based on the lessons learned from the pilot exercise. Joint technical assessment missions involving government representatives, the United Nations Disaster Management team and local and international non-governmental organizations will identify priority actions based on intense consultation with the populations. Pilot activities have now been selected, equipment has been ordered and interest has been explicitly expressed by other donors. Further external assistance will be needed to respond coherently to the immediate needs for the rehabilitation and reconstruction of the damaged social infrastructures.

41. A major component of the structural adjustment programme remains the demobilization of almost 8,500 soldiers. UNDP has provided financial support to strengthen the National Demobilization Committee's capacity to implement the programme prepared by the World Bank. In response to the Government's intention to revive the round-table process initiated in 1995, UNDP intensified consultations with the World Bank, the International Monetary Fund and the major bilateral aid organizations to enlist their full support for the organization and success of such meetings. The round table took place at Geneva in late May 1997.

42. During the meeting, the macro-financial stabilization programme submitted by the Government, which encompasses all aspects of Djibouti's economy, was fully approved and confirmed by the donor community, the United Nations, the League of Arab States and the other participants attending the meeting. The meeting was considered a success in that over 95 per cent of funding expectations were met.

43. In March and April 1996, the Office of the United Nations High Commissioner for Refugees (UNHCR) conducted a repatriation operation of 4,052 Ethiopians, reducing the total number of refugees from 23,991 to 19,939. In addition, over 200 urban refugees have been repatriated, thus reducing the urban refugee population to some 1,000. That follows a prior similar operation conducted between July and October 1995, which enabled the repatriation of 15,059 urban refugees to Ethiopia. A tripartite (Government of Djibouti/Government of Ethiopia/UNHCR) assessment mission to Ethiopia to determine the number of Djiboutian refugees in Ethiopia is envisaged. The ultimate aim is to repatriate an estimated number of 18,000 Djiboutians who fled during the civil war. As at 1 January 1997, there were 4,756 Ethiopians residing in the three remaining camps and 17,000 Somali refugees. The uncertain security and political climate has so far hampered any effective repatriation of Somali refugees.

44. The United Nations Children's Fund (UNICEF) is providing financial assistance ($40,000) to equip 17 primary schools representing 77 classrooms in four districts (Obock, Dikhil, Ali Sabieh and Tadjourah). That work is carried out in cooperation with the Government of France, whose contribution covers essentially the physical rehabilitation of the school infrastructure. In a joint undertaking with the Government of Italy, UNICEF contributed $60,000 to help strengthen mobile health teams in the Yoboki and Ali Sabieh areas and to provide equipment for six health centres, as well as essential drugs.

45. WFP is pursuing its assistance to schools, hospitals and the orphanage. The provision of meals to schoolchildren has been instrumental in increasing enrolment among rural children. In the past three years over 4,000 schoolchildren participated in the project, 42 per cent of whom were female. Similarly, food aid to the health sector acts as an incentive for outpatients to attend centres for continuous treatment against tuberculosis and as a budgetary saving by providing rations through hospital meals to in-patients. To date, more than 3,000 recipients country-wide benefit from the food assistance programme. Food aid through food-for-work created opportunities for about 2,000 recipients, 25 per cent of them women, in both rural and urban areas and has contributed to the improvement of the rural infrastructure, reforestation and other activities aimed at increasing the self-reliance of the rural population. Currently WFP is considering assistance to schools and orphanages and in support of women's income-generating and agricultural activities, as well as literacy and hygiene projects for adult women.

46. Looking beyond emergencies to long-term development explains the rationale behind food-for-work projects, which provide additional food for people whose incomes are too low for them to have access to sufficient

food for a healthy and productive life. The food supplied can also result in a substantial addition to their income. For that purpose intensive infrastructure work has been undertaken in Djibouti by poor households, with food provided as an incentive. The objective of these multipurpose food-for-work projects is to assist schemes for the improvement of rural infrastructure, reforestation training and other activities aimed at increasing the self-reliance of the rural population.

47. A major accomplishment of UNDP is the identification of the new role of the private sector, now considered by the Government and the donor community as one of the main engines for economic and social development. In 1993, UNDP played a leading role in that regard by encouraging institutional reform and legal restructuring of private sector legislation. The $500,000 programme included a reshaping of the Djiboutian code of commerce involving fiscality, an investment code, work legislation and investment promotion.

48. Protection of the environment has played an important role in Djibouti. A national workshop on sustainable development and environmental management was held in December 1993 and a disaster management workshop in October 1993. The two workshops helped identify national needs and develop a strategy to put forward for the development of new legislation. There is a project proposal worth $350,000 for strengthening the national capacity for environmental management and preparing the national environmental action plan. An office for environment has been created and enhanced with the recruitment of two persons. The World Bank provided a consultant who prepared a workplan and identified the preliminary activities of the project. That was followed by a seminar, which brought together financiers, non-governmental organizations and the private sector to streamline the national environmental action plan preparation process and to define the roles of different partners involved in environment issues.

49. The Government of Djibouti continues to be seriously concerned about the presence in the country of an estimated 120,000 refugees, displaced persons and illegal immigrants, which places pressure on the country's limited resources and social and economic infrastructures.

50. The living conditions in the refugee camps are basic and there are no prospects for the introduction of income-generating activities. The camps are located in barely accessible sites close to the Ethiopian and Somali borders. Food assistance is provided by WFP, the medical and nutritional sectors are covered by the Association of Medical Doctors of Asia, and the educational activities for some 1,500 refugee children in camp schools are funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Evangelical Protestant Church of Djibouti provides limited social assistance to urban refugees living in the capital. In addition to its role of providing international protection to refugees, the UNHCR branch office in Djibouti is funding and ensuring the overall supervision and monitoring of the assistance programme. The assistance budget for 1996/97 is $1.8 million, not including the estimated $4 million in food assistance provided by WFP for 1996/97. The difference compared with the previous budget is related to the new UNHCR objective to improve the water supply in the refugee camps.

51. The World Health Organization (WHO) and UNDP are deeply involved in the fight against the spread of HIV and AIDS. In 1993, the two organizations contributed to the creation of a counselling unit that helped reduce the impact of the epidemic through education of the population, public sensitization and awareness programmes. The unit was established in the context of the National Committee for the Fight against AIDS, which UNDP has also supported by training its members and financing a field visit to three African countries where the AIDS epidemic is widespread (Zambia, Senegal and Uganda). A project proposal elaborated by the members of the National Committee is now under evaluation by UNDP. In May 1995, UNDP and the Government signed a project document committing $45,000 to combat HIV/AIDS. In 1997, UNDP also committed $50,000 for assistance to two national non-governmental organizations involved in the fight against AIDS. In the context of the Joint United Nations Programme on HIV/AIDS, a thematic group comprising all United Nations agencies concerned has been established by the Resident Coordinator.

52. The main concern of the Government in the health sector is to create a health system accessible to all. An effort has been made to develop primary health care and establish rural health centres, as well as to train staff.

53. A project will be implemented in close cooperation with WHO to prevent HIV/AIDS by raising public awareness through the work of community health workers with high-risk groups.

VI. Conclusions

54. Djibouti's difficulties and problems are related first and foremost to the conflicts in the Horn of Africa, which have created a large movement of displaced populations and reduced the country's revenues as a result of loss of trade

and services. In addition, recurring emergencies, such as droughts, floods and epidemics, combined with large-scale destruction of livestock, water sources and health and education facilities as a result of the war in the country, have considerably increased Djibouti's emergency and humanitarian needs.

55. As a result of a major repatriation programme to Ethiopia and a more stringent national policy, the pressure from refugees, displaced persons and illegal immigrants has been somewhat alleviated. However, the problem of displaced persons resulting from the civil strife (1991-1994) remains and needs to be adequately addressed through specific actions, including the rehabilitation of affected areas and reintegration schemes for the returnees. As to the remaining refugees in Djibouti (most of whom are of Somali origin), UNHCR will continue to seek, in partnerships with all concerned, durable solutions to their plight.

56. In this respect, the most feasible long-term solution to the presence of the refugees in Djibouti will require regional political agreements that would enable the immigrants to return to their countries and keep potential newcomers in their places of origin. This long-term action would require the formal political commitment of the concerned countries and could be facilitated by the United Nations system in close cooperation with the Djibouti-based Intergovernmental Authority for Drought and Development.

57. There is also an urgent need to support the Government's demobilization programme through budgetary support in order to alleviate the financial constraints of demobilizing thousands of military personnel. Demobilization is a major issue that needs to be addressed in the larger context of rehabilitation and development and is a necessary condition to the restoration of peace, stability and national reconciliation. It will encourage the internally displaced people to regain confidence and return to their homes and will alleviate the heavy financial burden on the national budget.

58. The immediate need is for the rehabilitation and reconstruction of damaged or destroyed social infrastructures (schools, dispensaries, water facilities) in all regions that have been affected by civil strife. External assistance sources will be requested to provide the necessary financial support, as well as equipment and materials, needed for the reconstruction phase.

59. In order to initiate the rehabilitation process, an effort will need to be made by the authorities to encourage displaced populations to return to the towns and villages they have left before serious efforts are made to restore public services. In that way, community participation in the renovated facilities would transfer to the community itself a sense of pride and ownership in the running and maintenance of services at the local level.

60. The Government is facing critical financial difficulties resulting from the civil strife in the country. It is estimated that at least $30 million will be urgently needed to mitigate the socio-economic impact of the war. In order to alleviate the financial difficulties, the Government has initiated a demobilization process of some 11,500 military personnel. However, as the process will take several years to complete, it is appropriate to plan short-term budgetary aid and to assist in the economic and social reintegration of those demobilized. The round table held at Geneva in May 1996 was successful in attracting significant donor pledges to assist Djibouti in the short term.

61. The large numbers of primary school drop-outs with insufficient skills to enter a restricted labour market and the increasing numbers of young illiterates suggest a problem that requires serious consideration. The challenge will be to try to reform the educational system in order to make it less costly, more accessible and more relevant to the needs of the country. Unless more effort is made to educate and train Djiboutians, the kind of manpower development challenges now facing the country's fragile and declining economy will be difficult to meet, both in the short and the long term.

62. In order to understand better the emergency situation, it is important to assess separately the short-term needs of the different population groups, namely, refugees, illegal immigrants, internally displaced persons and demobilized soldiers.

63. A national action plan for rehabilitation is being prepared with UNDP funding in order to ascertain the precise nature of damage incurred and to determine the need for assistance. The authorities have identified a number of schools and dispensaries in Obock and Tadjoura districts that require immediate attention.

64. Well-coordinated action by the local authorities and the active participation of returnees, including demobilized soldiers, may secure the financial and technical support needed to get the job done quickly and effectively. In this regard, a number of projects could be initiated or reactivated in the following sectors: basic urban infrastructure maintenance, road construction and maintenance, afforestation and reforestation, and maintenance of water sources and wells. That would also alleviate the critical unemployment situation as it would allow greater access to economic opportunities. Food aid would be an incentive for the former soldiers and returnees to participate in the rehabilitation activities. The Government has also expressed

its preference for "cash and food-for-work" over free food distribution.

65. Such a rehabilitation programme would require an international presence in the affected areas in order to provide the necessary technical support and more importantly a sense of security and confidence to the population. In this context, UNDP is serving as the coordinating body for a cross-mandate operation on behalf of all United Nations agencies, as well as the United Nations Volunteers programme, enlisting their active support in specific area- and community-based rehabilitation and reconstruction schemes. A phased-approach strategy has been adopted in harmony with the return of the displaced persons and the pace of the demobilization process.

66. In conjunction with the rehabilitation programme and as soon as the majority of the displaced persons have returned, reconstruction projects with high labour intensity will be initiated, for both public socio-economic infrastructure and private properties.

67. Those projects could be implemented by small private contractors, with the strong participation of the communities. Measures would have to be taken to support the creation of micro-enterprises in all branches of activities (commerce, agriculture, fisheries, services, crafts), with an emphasis on the use of a technology appropriate to the local conditions and the use of credit and other financing mechanisms. The organizations of the United Nations system present in Djibouti are constantly dealing with that problem by developing activities related to repatriation, food distribution and education, as well as by initiating regrouping efforts to resettle refugees in camps and by clean-up operations in the capital.

68. The international community is requested to provide financial support to enable the continuation of the technical assistance projects in order to meet urgent socio-economic programmes for the reconstruction and development process in Djibouti.

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Report of the Secretary-General

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 51/5 of 24 October 1996 on the Universal Congress on the Panama Canal. The report covers information available prior to the holding of the Congress at Panama City from 7 to 10 September 1997. In the resolution, the Assembly took note of the report of the Secretary-General on the item (A/51/281), reiterated its firm support for the initiative of the Government of Panama and urged it to continue to intensify its efforts to organize the Congress; renewed its appeal to Member States to assist the Government of Panama and called upon intergovernmental and non-governmental organizations to do likewise; and urged the competent organs, programmes and specialized agencies of the United Nations system to make every effort to provide assistance from within existing resources for the holding of the Congress.

2. Governments as well as the private sector of user countries of the Panama Canal showed great interest in the Universal Congress on the Panama Canal. The Congress was seen as an opportunity for user countries and the private sector to meet with the administrators of the Panama Canal and to ensure confidence in the change in stewardship and in the legal and administrative regime of the future. It was also expected to enable users to understand the operations of the Panama Canal, in particular its physical capacity.

3. The "Panama 2000 Encounter", organized by the United Nations Development Programme (UNDP) in 1996, led to the signing of a declaration by all participants to commit themselves to the conservation of the ecology of the Interoceanic Region, that would guarantee the continued sustainability of the Panama Canal (see A/51/281, annex II). Participants in the Encounter also committed to the exclusion of sectoral and partisan interests from decisions related to the Canal.

4. Promotional visits by Congress organizers included meetings at the highest level with government authorities, shipowners, cargo owners, export and import associations, port authorities and academic institutions. Those consultations helped to design a programme for the Congress that covered issues of interest to users and would give participants the opportunity to raise questions, request clarifications and make suggestions. The Congress was expected to address issues relating to diplomatic relations between the Government of Panama and other Canal user countries. Another issue to be taken up was the construction of a third set of locks, which, because of the magnitude of the project, would require a multinational effort by all countries that include the Panama Canal in their transportation and external commerce infrastructure.

II. Finances

5. The European Union has contributed 1,166,000 European currency units (ECUs), of which ECU 400,000 are intended to fund a study to be presented to the Congress of

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short, medium and long-term (to the year 2060) traffic forecasts; ECU 366,000 are for the purchase of equipment and materials; and ECU 400,000 are for the Panama Canal Museum, to be inaugurated during the Congress.

6. At the time of writing of the present report, there was a deficit of approximately $500,000 needed to finance the Congress.

III. Promotional activities

7. In addition to visits to several countries, 20,000 postcards were sent to the international shipping community and to Governments, announcing the Congress, and brochures have been distributed in both English and Spanish. Major maritime organizations have been involved in the promotional activities, including the International Association of Dry Cargo Shipowners, Baltic Exchange Limited, the International Chamber of Shipping, the Greek Maritime Cooperation Organization, the International Association of Independent Tanker Owners, the Japan Shipowners' Association and the Hong Kong Shipowners' Association. The ports of Houston, Miami, New Orleans and New York also participated. The Panama Canal Commission signed a cooperation agreement with the Organizing Committee of the Congress and, locally, the Panama Maritime Chamber and the Panamanian Association of Maritime Law have joined in the promotion.

8. Invitees to the Congress included the 20 Presidents and Heads of Governments of the countries that have a vested interest in the Congress, as well as their Ministers of Transportation, External Commerce and Maritime Affairs.

IV. Programme

9. The Congress agenda included panels on the transition and beyond, the Canal in the twenty-first century, investment opportunities and Panamanian maritime sector policies. It was to conclude with a Forum for Users.